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Address http://www.onex.com

ASSETS
$19.7 billion

REVENUES
$24.5 billion

EMPLOYEES
97,300

CASH FLOW
$931 million

ONEX
2000

Onex Corporation is a diversified, Canadian-controlled company with revenues of $24.5 billion, assets of $19.7 billion and 97,300 employees worldwide. We operate through autonomous subsidiaries and partnerships in a variety of industries, including electronics manufacturing services, airline catering, customer management services, automotive parts and components, engineered metal buildings, sugar refining and marketing, web-based insurance brokerage and telecommunications infrastructure. Our objective is to create substantial long-term value by working in partnership with our companies' management teams to build industry leaders.

Chairman's Report

Dear fellow shareholders,

Shareholders who have received Onex' award-winning Annual Reports in the past will notice that we have scaled back this year's report. Let me assure you there has been no reduction in content. We continue to hold firm to our principle of providing full and forthright reporting to shareholders.

The issue is one of value. We believe we may be able to provide more value to all stakeholders by redirecting the expense of a glossy annual report to creating a new world class Onex website. This is an experiment and we will see how it works out. Please feel free to send us your comments or suggestions. You can e-mail us by linking through the new website **www.onex.com**.

We will continue to meet all the regulatory requirements for disclosure and analysis, whether paper-based or electronic. But the website will enable us to provide a greater depth of disclosure in a more timely way than quarterly or annual mailings allow. We have revised our website to provide meaningful depth of information. Please check it out at **www.onex.com**.

2000 was a year of excellent growth. A 65 percent increase in revenues, to $24.5 billion, propelled us into the ranks of the very largest companies in Canada. Acquisitions at Onex and our operating companies drove assets up 59 percent to nearly $20 billion. And we recorded our second-best year ever for net earnings, which totalled $188 million.

Celestica again surpassed its own previous records for revenues and earnings. Sky Chefs' acquisitions in the home meal replacement business helped boost its results, while ClientLogic enjoyed a substantial increase in revenues from both new business and acquisitions.

In 2000 we also suffered some setbacks and found that parts of our business needed a sharply renewed focus on profitability. MAGNATRAX, for example, was not achieving the planned efficiencies from its acquisition of Jannock Limited early in the year. We have helped the company develop action plans for profitable growth, although MAGNATRAX will remain susceptible to the U.S. economic slowdown.

It was the same story with J.L. French's integration of Nelson Metal Products, which it purchased in late 1999. We have since worked with our partner, Hidden Creek, to bolster J.L. French's senior management team, inject new equity and obtain the financial flexibility the company needs to pursue its plans for growth.

Heavy Duty Holdings achieved both scale and profitability through new acquisitions, only to see the market for heavy trucks decline dramatically in early 2001. Dura Automotive refined its strategic focus, but the results of that repositioning will be delayed until we see stronger demand for cars and light trucks in North America. Our other auto OEM supply companies, Commercial Vehicle Systems, Bostrom and Performance Logistics Group, have so far better weathered the storm of quickly falling auto and truck sales.

Revenue growth was strong at ClientLogic, but bottom-line results were negatively impacted by investments in building its infrastructure, particularly in Europe. ClientLogic now seems well positioned for 2001.

The complete commissioning of Lantic Sugar's Montreal refinery expansion took longer and cost more than anticipated, disrupting refining operations in the process. This reduced operating earnings from the strong results of 1999. However, the expansion has positioned Lantic as one of the most efficient sugar refiners in North America, which was the primary objective.

In 2000, downward adjustments of values in the telecom sector prompted us to write down the carrying value of our Gramercy-related investments.

While challenges like these set our timetable for value creation back somewhat, we're confident that the actions already implemented to correct these problems will enable us to rebuild momentum at the individual companies that needed special attention last year. Onex has successfully weathered such challenges before and has gone on to build very strong companies with very attractive valuations.

We currently have what we believe is a prudent blend of "old economy" businesses – automotive parts, food services, metal buildings – and "new economy" enterprises such as electronics manufacturing services, customer management services, e-insurance and telecommunications infrastructure. We also have an attractive mix of industries, a global reach, and responsiveness to different parts of the economic cycle.

What's more, our strategy of building industry leaders with a strong commitment to quality, efficiency and service also helps to reduce the overall risk of ownership during times when there are the inevitable bumps along the road to value creation.

Opportunity ahead

With nearly $1 billion in cash available for acquisitions, Onex is well positioned to take advantage of attractive opportunities. Falling equity values may enable us to accelerate growth by making both add-on acquisitions for our existing companies and exciting new stand-alone businesses. Sky Chefs, for example, recently announced two more acquisitions in its new home meal replacement business that will bring revenues from that business to nearly $800 million.

We will also consider major new platforms where we believe there is potential to achieve the magnitude of value that Onex has historically created. In February 2001 we acquired LeBlanc and BMS Communications, which together are the largest full-service provider of wireless infrastructure in Canada. We think there is an opportunity to create value by building a North American leader capable of benefiting from the explosive growth in demand for wireless services.

We also recently announced that we are leading an investment group that is expected to bring Loews Cineplex Entertainment Corporation out of its bankruptcy proceedings. We believe that Loews, the second-largest U.S. film exhibitor, can become a very profitable company for Onex after it has been reorganized.

As always, we will work in partnership with our management teams to build the capabilities and value of our operating companies. Leaders tend to be winners in almost any economic environment in which they operate, and we're confident that these leading businesses will continue to generate substantial returns for Onex shareholders.

Gerald W. Schwartz

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

MARCH, 2001

The Onex Companies

Onex Corporation operates through autonomous companies that are leaders in their industries. Pages 4 and 5 provide an overview of the principal industries in which Onex' companies operate, briefly describe the businesses, and indicate Onex' ownership and voting interest in each company. On page 6, we begin a review of our major operating companies that includes their financial and operating performance, strategic initiatives and near-term outlook.

CELESTICA

Electronics manufacturing services

Celestica is the world's third-largest electronics manufacturing services company. Onex holds a 20 percent ownership interest and a controlling voting interest. Celestica trades on the NYSE and the TSE under the trading symbol CLS.

LSG Sky Chefs

Airline catering

Sky Chefs is the world leader in airline catering, with 138 flight kitchens in 29 countries serving more than 230 airlines. Onex holds a 47 percent economic interest and a controlling voting interest.

HCI

DURA

JL French

HDH HEAVY DUTY HOLDINGS

APi AUTOMOTIVE PERFORMANCE INDUSTRIES

Automotive parts and components

Hidden Creek Industries is Onex' partnership in the automotive parts industry. It currently has four platform companies: Dura Automotive, J.L. French Automotive Castings, Heavy Duty Holdings and Automotive Performance Industries. Dura Automotive is a leading supplier to automotive OEMs focused in three core businesses: cockpit modules, door modules and greenhouse modules. Onex holds an eight percent economic interest and a controlling voting interest. Dura Automotive trades on Nasdaq under the trading symbol DRRA. J.L. French Automotive Castings is the leading manufacturer of high-pressure aluminum die-cast parts for North American and European automotive OEMs. Onex holds a 37 percent economic interest and a controlling voting interest. Heavy Duty Holdings is the holding company of Commercial Vehicle Systems, Bostrom and Trim Systems. Commercial Vehicle Systems is a leading manufacturer and supplier of wiper, mirror and control systems for North American medium and heavy truck OEMs. Onex holds a 45 percent economic interest and a controlling voting interest. Bostrom is the holding company which operates two principal subsidiaries – National Seating and KAB Seating – that are leading manufacturers of seats for the heavy truck, construction and agricultural markets in North America and Europe. Onex holds a 52 percent economic interest and a controlling voting interest. Trim Systems is a leading interior trim supplier to the heavy truck industry. Onex holds a 34 percent economic interest, and accounts for Trim Systems on an equity basis. Automotive Performance Industries is the holding company which operates two principal subsidiaries – Performance Logistics Group and Performance Marketing Global. Performance Logistics Group is a leading North American provider of automotive transportation and logistics services. Onex holds a 49 percent economic interest and a controlling voting interest. Performance Marketing Global is a provider of specialized value-added services to automotive OEMs. Onex holds a 62 percent economic interest and a controlling voting interest.

Customer management services

ClientLogic is a global provider of integrated solutions for customer management services in the key areas of customer contact, logistics, fulfillment and marketing services. Onex holds a 70 percent economic interest and a controlling voting interest.

Engineered metal building products

MAGNATRAX is a leading manufacturer and marketer of engineered steel building products and associated services throughout North America. Onex holds a 53 percent economic interest and a controlling voting interest.

Sugar refining and marketing

Lantic Sugar is the leading sugar refiner in eastern Canada and the leading marketer of sugar in Canada. Onex holds a 61 percent economic interest and a controlling voting interest.

Online insurance brokerage

InsLogic is a technology-enabled private-label insurance brokerage service. Onex holds a 49 percent economic interest and a controlling voting interest.

Small-capitalization opportunities

ONCAP Investment Partners is a $400 million fund formed by Onex to focus on acquiring and building the value of small-capitalization companies based in North America. Onex has committed $100 million to the limited partnership and controls the general partnership.

Feature film exhibition

Galaxy Entertainment is a chain of modern megaplex theatres in small and medium-sized markets in Canada. Onex has a controlling voting interest.

Telecommunications infrastructure

LeBlanc and BMS Communications Services were acquired in early 2001 and together form the largest wireless infrastructure provider in Canada. Onex has a controlling voting interest.

Other assets

Onex has a variety of smaller holdings that enable it to diversify risk and return while building value in attractive industries which include: Phoenix Pictures (21 percent economic interest) produces feature-length filmed entertainment for general distribution and new visual media channels; @Onex provides early-stage capital to companies developing innovative business-to-business e-commerce infrastructure applications; Unitive, Inc. (initial 18 percent economic interest), acquired in early 2001, provides a wide variety of semiconductor packaging services.

Celestica

Celestica is a global leader in the US$100 billion electronics manufacturing services ("EMS") industry. The company provides a broad range of design, prototyping, manufacturing and supply-chain management services to leading OEMs, primarily in the information technology and communications industries. The company's goal is to be the manufacturing partner of choice in the electronics industry by providing total customer satisfaction, superior value, and technology and quality leadership.

Celestica's rapid growth in the EMS industry is a case study in the successful execution of a global strategy for industry leadership. In just four years, Onex, in partnership with Celestica's management team, has transformed the company. It is now the third-largest EMS provider in the world, growing from two plants in two countries in 1996 to 35 plants in 12 countries. The company has built a diversified base of customers in high-growth sectors and is recognized for its strong competitive advantages in technology, quality and supply-chain management.

Fiscal 2000 proved to be another successful year for Celestica. The company continued to deliver strong organic growth, completed a variety of acquisitions designed to further enhance its capabilities in specific sectors or geographies and forged strategic alliances with important partners. The company announced a strategic supply agreement with IBM and acquired facilities in Rochester, Minnesota and in Vimercate, Italy. This transaction not only significantly expanded Celestica's relationship with IBM but also increased Celestica's advanced manufacturing capacity. The company also announced a strategic supply agreement with NEC and purchased NEC's Brazilian subsidiary. As part of this agreement, Celestica will manufacture NEC's communications network equipment under a five-year supply agreement valued at US$1.2 billion. The acquisition of Bull Electronics, another EMS provider, as well as the completion of a new facility in Portsmouth, New Hampshire, expanded the company's capacity and service offerings in the northeastern United States.

Late in the year, Celestica announced two transactions to expand its wireless communications capabilities. The first was a major strategic alliance with Motorola, through which Celestica acquired its manufacturing assets in Dublin, Ireland and Mount Pleasant, Iowa and signed a three-year, US$1 billion supply agreement on a broad range of wireless products. In the second, Celestica purchased NEC's mobile phone facility in Telford, England. The acquisition will enable Celestica to meet increased demand in Europe for wireless equipment.

Celestica

(US$ millions)	**2000**	1999
Revenues	**9,752**	5,297
Operating earnings	**399**	189
Acquisition, integration and other expenses	**(16)**	(10)
Net earnings	**207**	68
Adjusted net earnings[a]	**304**	123
Total assets	**5,938**	2,656
Shareholders' equity	**3,469**	1,658
Onex ownership	**20%**	22%
Employees	**29,600**	19,400

The above amounts are based on Celestica's accounting policies and therefore may differ from those presented in Onex' consolidated financial results.

(a) Adjusted net earnings exclude the net after-tax effect of acquisition, integration and unusual charges, and amortization of intangibles.

Strong revenue growth

Celestica's deep relationships with the world's leading OEMs in key end markets such as information technology, communications and data storage attest to the company's ability to provide the most advanced manufacturing solutions. The company's industry-leading technology, quality and supply-chain management again had a very positive impact on revenues, which soared 84 percent to US$9.8 billion in 2000 from US$5.3 billion in 1999. This dramatic improvement allowed the company to nearly achieve its US$10 billion interim target a full year ahead of schedule.

Just under two-thirds of the increase in revenues in 2000 was due to organic growth from existing or new customers; the balance came from acquisitions made during 1999 and 2000. The strength of the company's revenue growth is a direct result of Celestica's highly effective execution of customer needs as well as its strategy of diversifying its revenue stream by geography, customer and high-growth end market. In 2000, the company showed strength in all of its major geographies. In the Americas, revenue advanced 75 percent to more than US$6 billion. In Europe, it increased 155 percent to US$2.8 billion, while Asian revenues increased 61 percent to over US$1 billion.

Two end markets that were particularly strong in 2000 were communications and servers. In communications, Celestica finished the year with revenues of more than US$3 billion, a 129 percent increase over 1999 results. Virtually all of this growth was achieved organically from a diversified customer base that includes Cisco, Juniper, Nortel, Lucent, Nokia, NEC, Motorola, Sycamore and others. The quality and diversity of the customers Celestica is engaged with, particularly in optical, networking and wireless equipment, reflect the technology leadership that has driven Celestica's growth.

Server-related business was also very strong in 2000, growing 137 percent over 1999 to US$3.2 billion. Celestica's diversity of customers and programs for industry leaders such as Sun, IBM and Hewlett-Packard, combined with the results from newly acquired IBM facilities in the United States and Europe, were the key drivers of growth in this segment.

While the company's revenues grew strongly in 2000, Celestica showed even faster growth rates on its bottom line due to expanding margins. Operating margins improved to 3.7 percent in 2000 compared to 3.4 percent in 1999. This was achieved through better capacity utilization, implementation of manufacturing best practices, cost controls and an improved mix of business. As a result, adjusted net earnings grew 147 percent in 2000 to US$304 million from US$123 million in 1999, while adjusted net earnings per share more than doubled to US$1.44 per fully diluted share from US$0.71 in 1999.

In March, Celestica completed a treasury offering of 16.6 million shares for net proceeds of approximately US$740 million; the funds were raised for a variety of purposes, including the ability to pursue future growth opportunities. As a result of the dilution to Onex' ownership from the additional shares issued in the offering, Onex recorded an accounting dilution gain of $158 million.

Celestica also raised an additional US$850 million during the year through a zero coupon subordinate debt offering that is convertible into Celestica subordinate voting shares. Celestica's offerings, combined with strong financial results, gave the company a very strong balance sheet and a growing track record that led to credit rating increases by both Standard & Poor's and Moody's Investor Services.

During 2000, Onex issued debentures exchangeable into approximately 9.2 million subordinate voting shares of Celestica, with a carrying value of $729 million. While we have full confidence in Celestica's ability to continue its strong growth, prudence dictated that we limit our exposure to future changes in value in order to maintain a better overall balance among Onex' ownership positions. The issuance of these debentures did not change our voting rights in Celestica.

Outlook

Having substantially achieved its objective of US$10 billion in annualized revenues one year in advance of expectations, Celestica's management has established a new interim goal of US$20 billion in revenues by 2003. We believe this to be an achievable objective based on a variety of trends.

Industry results show that the largest players, like Celestica, are growing at a faster rate than smaller EMS providers. Celestica also has distinct competitive advantages in technology, quality and supply-chain management, as well as global manufacturing capabilities and an expanding range of services. These capabilities make it a major beneficiary of the growing trend among OEMs to outsource both their manufacturing and the management of their supply chain. In addition, new markets such as Japanese OEMs are only now beginning to consider the benefits of outsourcing. During 2000, Celestica established a new subsidiary in Japan, and will begin to take advantage of opportunities in this important market in the coming year. The company also has a growing list of potential acquisitions it will pursue in the future, but will continue to be very selective in what it acquires.

During 2001, Celestica will continue to focus on expanding its operating margins and returns. Its initiatives will be tied to improved capacity utilization, continuing emphasis on complex higher-margin products and increased leverage from its global procurement capabilities.

Sky Chefs

Sky Chefs, in partnership with LSG Lufthansa Service ("LSG"), is the world's largest in-flight caterer. Sky Chefs serves 700,000 meals on 7,500 flights every day for more than 230 airlines worldwide. Sky Chefs is also developing a major platform company to serve the growing U.S. market for prepared foods that are sold through retail channels and consumed at home.

With nearly one-third of the global market, LSG/Sky Chefs is the leader in the in-flight catering industry. That scale makes significant rates of growth difficult to achieve, especially in an industry where entrenched customer loyalty is commonplace. While this suggests airline catering is a relatively stable business, it also means that Sky Chefs must seek earnings growth from ongoing productivity improvements and new lines of business. Sky Chefs launched new initiatives successfully on both fronts during 2000.

The company began the rollout of two programs designed to reduce costs in its core airline catering business. A productivity initiative called "lean manufacturing", which Sky Chefs' management first saw in action at Celestica, will reduce food waste, excess materials and non-value-added time in meal preparation. The program is being rolled out initially at major U.S. kitchens and then phased in across the system. The second initiative will target indirect costs related to all aspects of procurement for the company's U.S. operations. The programs are expected to generate annual savings of US$15 million to US$20 million each, most of which is expected to begin in 2001.

Opportunity for dynamic growth

Late in 1999, Sky Chefs announced its intention to accelerate its growth by building a second core business in the home meal replacement industry. We believe this business represents an outstanding opportunity for value creation for two reasons. First, the two segments in which Sky Chefs intends to build industry leadership – fresh prepared foods and baked goods – represent manufacturer-level shipments of US$36 billion annually in the United States. Moreover, the 5 to 6 percent annual growth rate of these segments nearly equals the total revenue generated by the entire U.S. airline catering industry. Second, the retail grocery industry itself is consolidating, and major players are seeking partners that have the capital, and the skills in research, development and hygiene, to help build their branded home meal replacement businesses. As a company skilled in acquisitions, food handling, preparation and logistics, Sky Chefs is ideally placed to grow rapidly in this attractive business.

In January 2000, Sky Chefs acquired Orval Kent, a leader in the production of refrigerated food products such as salads, desserts, fruits and side dishes. In September, the company added Pennant Foods, a major supplier of baked goods and bakery mixes. In December, the operation grew again with the

Sky Chefs

(US$ millions)	**2000**	1999
Revenues	**1,797**	1,593
Operating earnings	**107**	106
Acquisition, integration and other expenses	**(3)**	(15)
Net earnings	**9**	9
Total assets	**1,258**	959
Shareholders' equity	**26**	19
Onex ownership	**47%**	47%
Employees	**26,000**	28,000

The above amounts are based on Onex' accounting policies (Canadian) and therefore may differ from those presented in Sky Chefs' published financial results.

purchase of La Francaise Bakery, headquartered in Northlake, Illinois. La Francaise manufactures and sells an innovative line of premium quality bakery products such as croissants, cinnamon rolls, danishes and muffins. In January 2001, Sky Chefs added a fourth company with the purchase of I and K Distributors ("I&K"), headquartered in Delphos, Ohio. I&K brings with it a leading assortment of freshly prepared food products such as mashed potatoes and holiday meals. I&K expands product line offerings and also provides Sky Chefs with extensive distribution capabilities and highly scalable food manufacturing technology.

Collectively, the four acquisitions generate annual revenues of approximately US$500 million. Funding for the acquisitions was provided entirely by Sky Chefs and its lenders. The purchases give Sky Chefs both the critical mass and the management leadership it needs to build a major integrated home meal replacement business in the United States.

Acquisitions drive revenue growth

Despite record passenger loads and new business in 2000, airline catering revenues were essentially unchanged from those of 1999. The benefit of increased volume was offset primarily by a decrease in revenues related to the sale of Sky Chefs' Australian operations in 2000. The home meal replacement businesses acquired during the year added revenues of US$194 million. As a result, Sky Chefs' total revenues were a record US$1.8 billion in 2000 compared to US$1.6 billion in 1999.

A very tight market for hourly labour pushed up operating costs at Sky Chefs during 2000, offsetting productivity improvements and holding margins to 1999 levels. Operating earnings were essentially unchanged in airline catering, and the contribution from the first year of operations in the home meal replacement business was relatively small. Total operating earnings for 2000 were US$107 million, a small increase from the prior year.

Preparing for transition

In September 2000, our partner in Sky Chefs, LSG, indicated that it would purchase from Onex and Sky Chefs' management the remaining 53 percent interest in Sky Chefs. This irrevocable offer is in accordance with the agreement between Onex and Sky Chefs announced in March 1999. We expect the transaction to close during the first quarter of 2002 following regulatory approvals at a price based on Sky Chefs' 2001 operating results. The acquisition is subject to a minimum purchase price that establishes an equity value of approximately US$1.4 billion for the entire company.

As an industry consolidator since 1995, Sky Chefs knows the importance of acquisition and integration planning. Sky Chefs' management has committed to spend 2001 working in concert with LSG to develop a detailed transition plan to be executed in 2002. The two companies have already made a significant start on the task. During the seven years of their alliance, their sales, marketing and systems functions have been fully integrated.

Outlook

Sky Chefs anticipates a modest increase in in-flight catering revenues worldwide in 2001 due primarily to capacity increases and another year of high passenger loads. Total revenues will increase as a result of a full year of results from the four acquisitions in the home meal replacement business completed in 2000 and early 2001.

Sky Chefs also expects total operating earnings to increase due to a full year of results from these new businesses. Costs, margins and operating earnings in the in-flight catering business will likely follow the same growth trend as revenues. Currently, the company is renegotiating its national labour agreements. At this writing, the tone of the discussions is constructive, and management is optimistic of a satisfactory outcome that will enable it to achieve acceptable margins in 2001 and beyond.

Sky Chefs will continue its efforts to reduce costs through its "lean manufacturing" initiative. The program was initially launched at major U.S. kitchens and will be phased in across the system during 2001. Reducing indirect costs related to procurement is another management focus that will gain momentum in the coming year. The company will also commit further capital to meet new customer requirements for temperature-controlled environments at its kitchens.

We are confident that Sky Chefs' entry into the home meal replacement business will generate substantial long-term value. The goal is to grow a leading, national integrated food services business. That business will provide further-processed or fully prepared food products that enable food service operators and retailers to meet consumer demands for quality meal solutions.

Internet-based e-commerce solutions that provide seamless catering supply-chain management are becoming an increasingly attractive idea for in-flight caterers and their airline customers. Sky Chefs and LSG, in collaboration with a major application services provider, are currently developing a catering portal that will launch in mid-2001. Initially, the portal will enable airlines to outsource procurement and equipment management, with the opportunity to further integrate systems as the portal develops functionality. We believe the Sky Chefs–LSG portal, which will be the first in the market, will offer substantial value to airlines.

ClientLogic

ClientLogic is a global infrastructure services company providing integrated solutions for customer management services in key areas of customer contact, logistics, fulfillment and marketing services. The company's comprehensive offering gives clients the advantage of using a single service provider for seamless cost-effective management of the lifetime value of their customer relationships.

ClientLogic ended 2000 a more focused, financially sound organization, with common information systems and market-leading infrastructure. The company successfully integrated six acquisitions made during 1999 and 2000 that expanded its operations to 53 facilities, 11 countries and 9,300 associates. These achievements have positioned ClientLogic as an industry leader in serving the steady growth of outsourced customer management in North America and Europe.

The factors driving the growth of customer management services are intensifying. The downward trend in telecommunications and computing costs is bringing more and more consumers online and making it easier for enterprises to interact with them directly. Managing the growing number of these customer relationships in the multi-channel world of physical stores, online catalogues and call centre interactions is becoming increasingly complex.

The rising cost of acquiring customers and tightening margins associated with each sale make retaining customers critical. In addition, maximizing the long-term value of customers demands a substantial and ongoing investment in intellectual capital, information systems and fulfillment infrastructure. That is why a growing number of traditional and virtual companies eschew the cost of internal development, preferring instead to adopt ClientLogic's integrated customer management solutions to make the most of their customer interactions.

Fully integrated customer management services

During the past two years, ClientLogic has invested more than $65 million in building a high-quality infrastructure that has the ability to accommodate rapid growth in the three key areas of customer management: customer care, fulfillment and marketing services. Moreover, the company is COPC-certified at 14 of its sites, making it the industry exemplar in adopting rigorous objective standards for operational excellence.

During 2000, ClientLogic completed the integration of fulfillment into its contact centres. The company also installed technologies that set a new competitive standard for fulfillment services and integrated, end-to-end views of the total customer experience. In November, ClientLogic acquired

ClientLogic

(US$ millions)	**2000**	1999[a]
Revenues	**282**	178
Operating loss	**(22)**	(5)
Write-off of other intangible assets	**(14)**	(22)
Net loss	**(102)**	(44)
Total assets	**297**	306
Shareholders' equity	**141**	111
Onex ownership	**70%**	81%
Employees	**8,200**	7,000

The above amounts are based on Onex' accounting policies (Canadian) and therefore may differ from those presented in ClientLogic's financial results.

(a) Includes the results of LCS, Cordena and Adverbe from their respective dates of acquisition in January and October of 1999.

the TeleServices division of Associates Commerce Solutions, using its stock as consideration. The TeleServices acquisition provides additional expertise in customer management, technical and e-commerce support, product billing and order management. The acquisition also adds important new clients such as Sears, AT&T and Allstate Insurance.

As a result of these investments, ClientLogic is currently the only company in its industry to offer clients a fully integrated suite of customer management solutions that can be bundled to meet specific client objectives for managing their customer experiences. This is an increasingly important competitive advantage in winning new business. ClientLogic's value-added offering has been particularly successful in Europe, where it was instrumental in securing contracts with companies such as AOL France and Alcatel during 2000.

Strong revenue growth

Total revenues increased 59 percent to US$282 million from US$178 million in 1999, the majority of it from new and existing customers rather than from acquisitions. While ClientLogic's business development has focused primarily on established enterprises with sustainable business models, it de-emphasized development efforts in the troubled dot-com sector early in 2000. The company won important contracts in North America with BellSouth DSL, MCI and PeoplePC, as well as with Sony Playstation, Palm Inc. and Zales.com. The full impact of these new business contracts, and those noted above with European companies, will be felt in 2001.

ClientLogic recorded an operating loss of US$22 million compared to a loss of US$5 million in 1999. The company incurred costs to build its infrastructure and service levels, particularly those related to the fulfillment business and European operations. These investments were necessary to support the company's planned growth and required service quality. ClientLogic also discontinued certain service offerings in 2000 that were no longer considered viable. Goodwill and intangible assets in the amount of US$14 million associated with those activities were written off. The company wrote off US$22 million of intangible assets in 1999.

Unfavourable market conditions led ClientLogic to withdraw its initial public offering in April 2000. Subsequently, the company completed a US$105 million private equity financing. A major Canadian pension fund invested US$80 million, while Onex invested US$23 million in additional equity; Onex' ownership in ClientLogic was reduced from 81 percent to 70 percent as a result of the investment by other parties. The transaction provided ClientLogic with a stable source of capital during a time of rapid changes in market sentiment as well as a solid equity valuation that can be used in making further acquisitions.

Outlook

The customer management industry provides a variety of outsourced services that enable companies to acquire and retain customers, as well as to maximize their lifetime value. Demand for these services has been estimated to be growing at more than 30 percent annually. ClientLogic, with 53 facilities in 11 countries and a fully integrated customer experience management offering, has grown its revenues at a compound annual rate of more than 50 percent during the past two years.

At the same time, ClientLogic has built the infrastructure and solutions needed to manage the total customer experience for its clients. The company announced an important strategic alliance with BT Syncordia Solutions, a subsidiary of British Telecom. Under the January 2001 agreement, ClientLogic will manage Syncordia Solutions' leading outsourced customer care centres in the United Kingdom, and Syncordia will adopt ClientLogic's outsourced customer care into its total offering. The alliance positions ClientLogic as a leading provider of electronic customer management solutions to businesses across Europe.

The company intends to focus its North American operations on driving steady internal growth of this high-value platform. During 2001, a variety of initiatives will enhance the value of ClientLogic's contact management services for clients, leverage its investment in fulfillment and build its industry-leading capabilities in marketing services. The company believes that, with the investments made during 2000, it is very well positioned to become the leading customer management provider in North America and Europe.

Continuous process improvement and margin expansion to drive a significant improvement in profitability will be the primary focus at ClientLogic during 2001.

Hidden Creek Industries

Hidden Creek Industries ("HCI") is Onex' acquisition partnership in the automotive parts and components industry. Its objective is to build leading companies in attractive sectors of the industry that can create long-term value. Our current platforms – Dura Automotive, J.L. French and Heavy Duty Holdings – are each leaders in their segments. A fourth, Automotive Performance Industries, is building niche leadership quickly in the United States.

Over the 11 years and 60 acquisitions of our partnership, HCI has amassed an exceptional record of creating market leaders in the North American and European automotive parts and components businesses. Nevertheless, there were challenges at some of our platform companies during 2000 that were a focus of HCI's attention on the road to further long-term value creation.

Dura Automotive

After nine consecutive years of annual growth, North American sales of light vehicles – cars and light trucks – reached a record high of 17.7 million units in 2000. Total European light vehicle sales equalled those of 1999 at approximately 18 million units.

Increased volumes, new business awards and a full year of results from the four acquisitions made during 1999 resulted in excellent revenue gains at Dura Automotive. Total revenues climbed 18 percent in 2000, to US$2.6 billion from US$2.2 billion in the prior year. The full magnitude of the gains, however, was offset by temporary production shutdowns at Ford on popular models and by foreign currency fluctuations that lowered the value of European sales. Operating earnings rose modestly to US$217 million from US$214 million in 1999. The earnings impact of higher revenues was offset by the effect of Ford plant shutdowns, a US$16 million charge related to a product recall with a major customer and costs incurred to realign the business for the lower volumes anticipated in 2001.

During 2000, Dura Automotive completed a comprehensive review of its businesses. The resulting strategic plan identifies three core businesses – cockpit modules, door modules and encapsulated glass, or greenhouse, modules – in which Dura Automotive intends to become a Tier 1.5 supplier. These highly regarded suppliers provide products to automotive OEMs as well as to other major component manufacturers. The company expects to shed non-core assets in order to focus its financial and management resources on the significant opportunity represented by Tier 1.5 status.

Dura Automotive

(US$ millions)	**2000**	1999
Revenues	**2,633**	2,200
Operating earnings	**217**	214
Debt prepayment costs	**–**	(9)
Net earnings	**42**	41
Total assets	**2,357**	2,488
Shareholders' equity	**453**	431
Onex ownership	**8%**	8%
Employees	**21,300**	21,100

The above amounts are based on Dura Automotive's accounting policies and therefore may differ from those presented in Onex' consolidated financial results.

J.L. French

In April 1999, Onex and HCI acquired J.L. French Automotive Castings ("J.L. French"), the leading manufacturer of high-pressure aluminum die-cast parts for North American and European automotive OEMs. In the fourth quarter of 1999, J.L. French added Nelson Metal Products ("Nelson"), a company with complementary product lines and customers.

Nelson did not meet our expectations for process improvement or financial performance during the first half of 2000. This required HCI to become very active in the operational management of J.L. French during the second half of the year, hiring new senior management at J.L. French and supplementing the existing senior management team. HCI also implemented a detailed plan to improve performance and achieve the required operating synergies with J.L. French.

J.L. French

(US$ millions)	2000	1999[a]
Revenues	557	251
Operating earnings	61	48
Debt prepayment costs	–	(4)
Net loss	(16)	(5)
Total assets	1,026	940
Shareholders' equity	233	209
Onex ownership	37%	45%
Employees	4,100	3,450

The above amounts are based on Onex' accounting policies (Canadian) and therefore may differ from those presented in J.L. French's financial results.

(a) Includes the results of J.L. French and Nelson from their respective dates of acquisition, April 1999 and October 1999.

The problems at Nelson should not overshadow the quality of operations, management and performance at J.L. French. The company continues to be the strongest competitor in its segment, with a loyal base of major customers in North America and Europe. Revenues advanced 122 percent in 2000 to US$557 million from US$251 million in 1999; the increase was due primarily to the inclusion of a full year of Nelson results. Both companies were acquired during 1999. Nelson's performance had a negative impact on J.L. French's operating earnings, which were up only 27 percent to US$61 million compared to the much larger percentage increase in revenues.

In December 2000, we purchased approximately US$26 million of a total of US$60 million in new equity issued by J.L. French to existing shareholders; an additional US$30 million in debt was converted to equity. The new equity, along with amended credit agreements, gives the company additional resources and flexibility to pursue its objectives for growth.

Heavy Duty Holdings

During 2000, we continued to build our heavy truck components manufacturing business with HCI's Heavy Duty Holdings ("HDH") affiliate. In March, we acquired Commercial Vehicle Systems ("CVS"), which makes and assembles wiper systems, mirror systems and control components for North American medium and heavy truck OEMs. In October, we acquired Bostrom plc ("Bostrom"), which has two principal subsidiaries: National Seating in the United States and KAB Seating in Europe. The company is a leading manufacturer of commercial vehicle seats for the

Commercial Vehicle Systems

(US$ millions)	2000[a]
Revenues	60
Operating earnings	10
Net earnings	2
Total assets	99
Shareholders' equity	29
Onex ownership	45%
Employees	400

The above amounts are based on Onex' accounting policies (Canadian) and therefore may differ from those presented in Commercial Vehicle Systems' financial results.

(a) Includes the results of Commercial Vehicle Systems from its date of acquisition, March 31, 2000.

North American heavy truck market and the European medium truck, construction and agricultural equipment manufacturers.

These two acquisitions effectively doubled the size of HDH, which now comprises CVS, Bostrom and Trim Systems; we acquired Trim with HCI in 1997. HDH's scope and scale now make it an important supplier to OEMs in North America and Europe, with market share leadership in each of its operations and combined annual revenues of approximately US$400 million.

Taking full advantage of HDH's growth opportunities, however, will require a much more robust heavy truck market. Production and sales of new trucks peaked at record highs in mid-1999 and fell steadily during 2000, significantly affecting results. The HDH companies will continue to reduce expenses associated with their full-service supplier cost structure until the market for heavy trucks is revitalized.

Automotive Performance Industries

In 1999, Onex and HCI created Automotive Performance Industries ("API") as a platform company for building a North American leader in automotive logistics and value-added services for OEMs. Late in that year we acquired Hadley Auto Transport ("Hadley"), a California-based transportation and logistics supplier to OEMs, as the initial step in the development of API's Performance Logistics Group. In May 2000, we expanded this group with the acquisition of E. and L. Transport Company ("E&L"). E&L is a major transportation and logistic services supplier for automotive OEMs, principally Ford and General Motors, with annual revenues of approximately US$110 million. The addition of E&L is an important complement to Hadley and brings the service area of Performance Logistics Group to 32 states. To date, Onex has invested a total of US$20 million in Hadley and E&L.

Performance Logistics Group

(US$ millions)	2000[a]
Revenues	180
Operating earnings	15
Net earnings	3
Total assets	152
Shareholders' equity	45
Onex ownership	49%
Employees	1,600

The above amounts are based on Onex' accounting policies (Canadian) and therefore may differ from those presented in Performance Logistics Group's financial results.

(a) Includes the full-year results of Hadley, acquired in December 1999, and the results of E&L from its date of acquisition on May 31, 2000.

Revenues at Performance Logistics Group were US$180 million in 2000; comparative amounts are not meaningful because of the recent formation of the company. Operating earnings were slightly lower than expectations due primarily to rapid increases in fuel prices, not all of which was recoverable from customers.

API believes there is significant long-term potential in assisting major OEMs on a variety of non-core functions such as niche vehicle development, vehicle personalization and logistics. The company is currently working with Ford to design specialized vehicles, personalize them to customer specifications at the rail head, and then deliver them to dealers. Support from Performance Logistics Group is a key factor in building this aspect of the API platform profitably.

Outlook

Current industry estimates suggest that North American car and light truck production will be in the range of 14.5 to 16.0 million units in 2001, a significant decrease from the record highs of 2000. European production is expected to be on par with 2000 at 18.1 million units.

Dura Automotive's volumes are expected to be lower in 2001, with awards on new models unlikely to offset the impact of the downturn in the North American automotive industry that began in the fourth quarter of 2000. Relatively stronger markets in Europe should add to revenues in the coming year; European Union countries account for 30 percent of Dura Automotive's production.

The strategic review completed during 2000 identified three core businesses – cockpit, door and greenhouse modules – in which Dura Automotive has the opportunity to become a Tier 1.5 supplier. We expect a sharper focus on these core businesses, as well as on cost reduction, to help mitigate the impact of the anticipated volume downturns. The company's strategic review also identified non-core operations where value could be realized: these options will be explored in the coming months.

The rollout of J.L. French's longer-term strategy for growth in the US$15 billion global market for aluminum die-cast auto parts was postponed during 2000 while management, along with HCI, addressed issues at Nelson. That work will continue during the first half of 2001 until all problems are resolved. A complete review of J.L. French's structure has been conducted in order to get the company repositioned for growth. The new equity and amended bank agreements arranged in late 2000 give the company improved financial flexibility. The company believes that it will achieve modest revenue growth in 2001 and, with the challenges at Nelson substantially resolved, increase operating earnings over the 2000 results.

Acquisitions made in 1999 and 2000 have enabled HDH to grow beyond its beginnings as a small-scale trim supplier. The company is now a relatively important supplier in the U.S. heavy truck market and a strong competitor in the European equipment seating business. The benefits of this larger scale will have to wait until there is a stronger heavy truck market. Overbuilding by OEMs in 1999 and early 2000, as well as a plentiful supply of used equipment, suggests that manufacturers will continue to curtail production of new trucks through at least the first half of 2001. Industry estimates are for production to bottom at approximately 150,000 units per year in mid-2001, a level similar to the previous downturn in 1996.

In this environment, we expect revenues to decrease from 2000 levels. HDH intends to reduce costs associated with its full-service supplier positioning in the marketplace until the heavy truck market revives.

API is the Onex platform for value creation in automotive logistics and value-added services for OEMs. The company's Performance Logistics Group has become a leading U.S. auto hauler/logistics manager for manufacturers, with operations in 32 states. A full year of results from the 2000 acquisition of E&L will boost revenues and operating earnings in 2001; it is not expected that fuel prices will have the same impact on earnings as they did during 2000, as fuel cost fluctuations have now been built into contracts with customers. Additional benefits will be derived from the consolidation of the Hadley and E&L infrastructures during the first half of 2001. The company also intends to address the flexibility of its fleet in order to meet customer needs more effectively and to add complementary services that bring strategic benefits or operational synergies.

Performance Logistics Group is a key capability in API's ability to provide logistical support to OEMs pursuing vehicle customization strategies. At Ford in particular, API has established itself as the supplier of choice in product planning, specialty brand management, niche vehicle development and vehicle personalization. We plan this business to grow during 2001 as OEMs seek more ways to be responsive to the needs of their customers.

MAGNATRAX

MAGNATRAX is a leading manufacturer and marketer of engineered building products and associated services throughout North America. MAGNATRAX operates in five primary segments: the Buildings Group comprises its metal building companies and its roofing systems – American Buildings, Gulf States, CBC Steel Buildings and Architectural Metal Systems; VICWEST North America brings together all of the company's components manufacturing and marketing; the Entry Systems Group comprises the operations of Windsor Door and Republic Builders Products; Armtec manufactures and markets steel and HDPE pipe for infrastructure projects; and Westeel is one of North America's oldest and largest manufacturers of agricultural and industrial steel storage products. MAGNATRAX also operates captive coil coating and transportation divisions. The company's objective is to become the leading North American provider of engineered steel building products and components.

Since Onex' May 1999 acquisition of American Buildings Corporation, we have quickly created a leading North American producer and marketer of engineered building products and associated services. We subsequently created the parent company MAGNATRAX Corporation in order to provide a flexible platform for future acquisitions, multi-brand marketing and strategy implementation.

In March 2000, MAGNATRAX took a key step in strengthening its platform by completing the US$445 million acquisition of Jannock Limited ("Jannock"). Onex invested an additional US$55 million in MAGNATRAX as part of the acquisition funding, bringing our total investment in the company to approximately US$107 million.

The Jannock purchase was a major advance toward the goal we share with MAGNATRAX management of creating the industry leader in its core business segments. MAGNATRAX is now very close to having the major share of the metal buildings market in the United States and is ranked second in North American metal building components manufacturing. What's more, the acquisition gives MAGNATRAX new opportunities in geographic distribution, vertical integration, cost reduction and product and brand diversification.

MAGNATRAX

(US$ millions)	2000[a]	1999[b]
Revenues	**881**	327
Operating earnings	**73**	32
Net earnings	**15**	9
Total assets	**783**	418
Shareholders' equity	**234**	122
Onex ownership	**53%**	55%
Employees	**5,100**	3,400

The above amounts are based on Onex' accounting policies (Canadian) and therefore may differ from those presented in MAGNATRAX' financial results.

(a) Includes the results of Jannock from its March 2000 acquisition date.
(b) Includes the results of American Buildings and Republic Builders Products from their respective dates of acquisition, May and September 1999.

A year of integration

MAGNATRAX invested considerable energy during 2000 in evaluating and repositioning the company to make the most of the opportunities arising from the Jannock integration. The company has assimilated its five metal building and roofing system operations into a single Buildings Group in order to provide additional marketing, research and development and systems support. Similarly, management has formed a common unit for the manufacture and marketing of components. The new VICWEST North America will enable product unification, broader geographic and business segment coverage, and efficiencies of distribution. The Entry Systems Group, formed in 1999, continues to be the platform for Windsor Door and Republic Builders Products. Armtec and Westeel remain stand-alone business units.

While each of the well-regarded MAGNATRAX brands will retain their identity, engineering and manufacturing capabilities under the reorganization, the new structure will achieve significant company-wide benefits in terms of costs, service and diversification at a reduced capital investment. In addition, e-business systems are being rolled out where they can improve internal communications, customer self-service and supply-chain management. The company is also creating supply-chain efficiencies by consolidating its materials requirements, particularly for steel purchases.

We do not expect the financial impact of this sweeping reorganization to be fully evident until 2002, but some economic gains are already being achieved from the vertical integration of MAGNATRAX' coil coating and transportation divisions.

Building markets cool

Engineered metal buildings produced by MAGNATRAX are cost-effective in both labour and speed of construction compared to traditional methods of construction. These benefits moderate to some extent declining activity in the overall construction market. This was the case during 2000, when non-residential construction followed a steady downtrend, ending the year about four percent lower than the record highs of 1999. The institutional sector, particularly school construction, remained strong, as did the office sector. Residential construction fell from the record levels of last year, particularly in those markets served by the company's Windsor Door unit. Agricultural markets were also softer.

Comparisons of revenues and operating earnings are not meaningful, as MAGNATRAX made the major acquisition of Jannock during 2000 and Onex purchased MAGNATRAX during the second quarter of 1999. Revenues were US$881 million in 2000; 1999 revenues totalled US$327 million for the eight months of our ownership.

At US$73 million (US$32 million for the eight months of Onex ownership in 1999), operating earnings at MAGNATRAX fell short of our plans. Margins did not meet expectations in either the metal buildings or components segments due to business integration costs at certain of the acquired Jannock companies. This reduced operating earnings, as did problems related to plant consolidation at Republic Builders Products. Significant effort was put into resolving these acquisition integration issues, and the company had substantially corrected them by year end.

Outlook

Consolidated revenues for 2001 should exceed those of 2000 due to the inclusion of a full year of results from the Jannock operations acquired during 2000. Nevertheless, revenues will be affected by the industry-wide decline in year end 2000 backlogs and slower construction activity. This downturn is from very high levels of construction activity in recent years. We believe there continues to be substantial opportunity in the markets that MAGNATRAX serves. The recent reorganization will enable more effective branding and marketing by MAGNATRAX companies in the future.

Onex is working with MAGNATRAX management to design and implement a variety of initiatives to improve the company's profitability. The reorganization of business units will enable a reduction in corporate overheads through consolidation; material costs are also being reduced for commonly used products such as steel and paint by adopting an aggregated bidding process. Product unification and related engineering initiatives will enable a variety of economies without compromises for customers.

Although MAGNATRAX' results failed to meet our expectations in 2000, we believe that the programs noted above are addressing the necessary operating issues. We remain convinced of the attractiveness of the industry, and the ability of the company to create long-term value for Onex shareholders.

Lantic Sugar

Lantic Sugar is the largest refiner and marketer of sugar in Canada, accounting for over half of all sales of refined sugar and related products. About three-quarters of the company's sales are to industrial users such as confectioners, bakers and dairies. The balance is sold to consumers through grocers, mass merchandisers and other retail outlets.

Lantic Sugar reported revenues of $251 million in 2000 compared to $262 million in 1999. While industrial shipments increased as users took advantage of lower raw sugar prices to boost export sales, the improvement was partially reduced by increased competition in the grocery segment. Despite the net gain in volume, revenues decreased due to lower average prices for raw sugar on world markets. Such decreases and increases are typically passed on to customers.

Lantic's operating earnings were $37 million compared to $51 million in 1999. The 27 percent decline from the excellent results achieved in 1999 was due primarily to higher expenses for the ramping-up of production at the newly expanded Montreal facility, margin impact in the grocery segment, and rapid increases in the price of natural gas – a major component of production costs. In the final four months of the year, the company began to see benefits from the lower cost structure and improved productivity we envisioned from the completion of the Montreal expansion and the closing of the Saint John facility.

The Montreal plant expansion extends the Lantic legacy in the city, which dates to 1885. While the cost of the renovation exceeded plans, the plant is now a world-scale refinery that is the low-cost operation in Canada and among the most competitive in North America.

In November 2000, the Canadian International Trade Tribunal issued a five-year continuance of tariffs on sugar imports into Canada. The tariffs are intended to protect the domestic industry against the dumping of heavily subsidized refined sugar from the United States, the European Union and other producing regions where internal pricing policies distort fair trade.

Outlook

Though sugar consumption typically increases in line with population growth, imports from countries such as Brazil, Guatemala and Mexico, which are not subject to Canadian tariffs, will continue to have an impact on Lantic's volumes in the coming year. Overall volume in 2001 is expected to be slightly lower compared to 2000.

Ongoing competition will also lead to a slight reduction in margins. The company expects to offset this trend somewhat with the introduction of new high-value-added products, primarily in the grocery segment. We believe that a full year of improved productivity from the expanded Montreal facility – primarily increased capacity, improved control technology and reduced freight costs – will push operating earnings over the level achieved in 2000.

InsLogic

InsLogic is a technology-driven private-label insurance brokerage service that gives brand partners a cost-effective multi-channel platform on which to reach consumers, and close sales, at key insurance-purchasing moments. The company has a strong roster of brand partners, primarily in the financial services sector. InsLogic's objective is to become North America's leading provider of Internet- and call centre-based insurance transactions.

Onex created InsLogic in 1999 to provide a technology-driven private-label insurance brokerage service. The company's multiple insurance carrier offering is supported by an integrated Internet and call centre platform that ensures consumers are offered choice and convenience in completing a policy transaction.

Purchases of home, auto or term life insurance are suited to the e-commerce environment of the Internet. It is an ideal medium for providing unbiased advice, with easy comparison of features and prices across multiple insurance carriers. The "e-insurance" business, however, has grown more slowly than many observers anticipated. Success in this space means that a provider must seamlessly link the legacy information systems of insurance companies, accommodate regulators and rating territories, integrate hundreds of products, and meet the needs of brand partners and consumers, in both an online and call centre environment. It is highly complex and very capital intensive, and few of the early leaders had business models that met these challenges effectively.

We believe InsLogic has created the right business model and technology platform to deliver efficient, end-to-end solutions for consumers, carriers and brands. By offering recognized insurance carriers at consumers' time of need, it raises the number of quotes that turn into bound policies, thus lowering acquisition costs. Fast, intuitive quotes and a choice of major carriers significantly increase the likelihood that consumers will finalize a purchase. In addition, InsLogic's ability to sell and fulfill over multiple channels improves sales completion ratios, client retention and cross-sell rates. These are compelling enhancements to the value chain in an old economy industry that generates trillions of dollars in transactions each year. It is also a compelling model for creating a web-based leader in the insurance brokerage industry.

From model to reality

Following a successful start in Canada, InsLogic expanded its U.S. call centre functionality to the Internet during the third quarter of 2000, as planned. By the end of the year, the company had been selected as the multi-channel insurance brokerage of choice for 11 high-profile brand partners such as Charles Schwab, PNC Bank, Key Bank, National City Bank and Wachovia Bank. More than 20 large insurance carriers have also been signed, including Zurich, Chubb, Prudential, Travelers and Royal & SunAlliance. Many additional brands and carriers were in negotiation at year end.

InsLogic's business model as a technology-driven intermediary between brand partners and end consumers was validated early in 2000 by two influential third parties. Warburg Pincus and Marsh & McLennan Capital invested approximately US$28 million in shares of the company. Onex invested a further US$3 million, retaining majority ownership and bringing its total investment to US$10 million.

InsLogic's revenue is derived primarily from commissions and service fees. Because 2000 was the company's first year of operation, revenues were low; all were generated on its multi-channel platform. Reflecting the costs of building its complex technological infrastructure for future growth, InsLogic recorded an operating loss of US$26 million for the year. As the company was launched only in 1999, comparative numbers are not meaningful.

By year end, InsLogic had the technology, operations and marketing platforms in the insurance, Internet and call centre industries that are necessary to lead the industry's movement to web-based sales and service. We continue to believe the company, and the concept, represent an outstanding opportunity for long-term value creation.

Outlook

InsLogic has developed a proven and differentiated technology that has already attracted 11 brands and more than 20 insurers in North America. During 2001, the company intends to increase the number of brands it serves while significantly expanding the throughput at its call centres and website.

We expect InsLogic's 2001 revenues to rise quickly from the small base established in 2000, as it enjoys a full year of participation from brand partners and as those partners incorporate insurance products into their marketing plans; the growing number of partners on the InsLogic system will also boost revenues. Operating earnings, however, will remain negative due to the ongoing investment in building the business. As the technological complexities of the e-insurance business continue to hamper InsLogic's competitors, we remain confident that the company has the right business model for competitive advantage and long-term value creation.

Galaxy Entertainment

Galaxy Entertainment, headed by Ellis Jacob, the former chief operating officer of Cineplex Odeon, is developing a chain of modern theatres for small and medium-sized markets in Canada.

Since the company was created in 1999, Onex has invested a total of $27 million for a 67 percent ownership interest. Our partners are Alliance Atlantis, Canada's leading film production company, Famous Players Theatres, the country's largest film exhibition company, and Galaxy's management and directors.

Galaxy is bringing the modern stadium theatre experience to small and medium-sized markets in Canada. This modern experience includes stadium seating, surround sound, high-back seats and a wide variety of first-run films. These markets have been underserved in the past in terms of the number of screens and the quality of theatres. The company believes that with the right theatre experience, movie attendance in these areas can be expanded enormously. In fact, experience has shown that attendance more than doubles in many of these markets.

Galaxy grew quickly during 2000. The company opened megaplex theatres in Ontario in Sault Ste. Marie (12 screens), Peterborough (11 screens) and Midland (seven screens), and in the Sherwood Park suburb of Edmonton, Alberta (10 screens). In addition, in Quebec Galaxy acquired three theatres, including a 25 percent ownership position in a six-screen megaplex. At year end, Galaxy operated 12 theatre locations with 88 screens, more than half of which have the modern stadium seating and digital surround sound preferred by today's film patrons.

We expect Galaxy to continue its fast pace of expansion in 2001. A total of 30 to 35 screens are currently planned in four new theatres.

ONCAP

ONCAP – the Onex Small Cap Fund – is a $400 million capital pool dedicated to creating value by acquiring and investing in small capitalization companies in North America. Onex is the general partner and largest investor in the Fund, with a $100 million commitment; the balance has been committed by a number of Canada's largest financial institutions.

ONCAP was established in late 1999 with a mandate to make equity investments of $10 million to $80 million, using Onex' proven principles for value creation. ONCAP's investments are designed to provide growth capital or to acquire a controlling interest in partnership with the company's management. ONCAP is well positioned to execute its mandate, as there are approximately 2,500 small public companies and more than 60,000 small private companies in North America that fit its investment criteria.

During 2000, ONCAP established a team of experienced professionals who work closely with Onex in sourcing, negotiating and completing transactions. Together, ONCAP investigated more than 200 potential investments; 20 of these were evaluated in considerable detail. The Fund's first transaction was a merger of two leading service companies in the Canadian energy industry. The merger formed EnSource Industries, a leading supplier of design, fabrication, construction and operating services to the western Canadian energy industry. ONCAP's second transaction was the acquisition of a publicly traded energy services company focused on natural gas compression. This acquisition complemented EnSource Industries' existing service offerings, and enabled ONCAP to retain the target's public listing; the merger resulted in a newly formed public company, EnSource Energy Services Inc. ("EEN"). ONCAP invested $18 million in the two transactions that formed EEN for a 32 percent equity interest in the company and voting control. At year end, EEN reported revenues of $161 million and had a market value of approximately $162 million. ONCAP believes that EEN is well positioned to capitalize on the rapidly increasing demand for new infrastructure, products and services in North American energy markets.

Outlook

In February 2001, ONCAP announced a transaction to acquire BAE SYSTEMS Canada ("BAE"). BAE generates annual sales of approximately $300 million from the design, manufacture and marketing of high-technology electronic products for the aerospace and defence industries. Following completion of the transaction, which is expected to close in April 2001, ONCAP intends to work with BAE's management to aggressively grow the business through a combination of internal development and strategic acquisitions.

In the coming year, ONCAP will continue its efforts to create value by building its existing operating companies and exploring new opportunities for growth. With its complement of professional staff, active participation by Onex managers and an attractively-valued small-cap sector in North America, we believe that ONCAP will benefit from an increased number of opportunities to invest during 2001.

LeBlanc and BMS Communications

In February 2001, Onex acquired LeBlanc Ltd. and BMS Communications Services Ltd. (collectively, "L&B"). L&B is the largest full-service wireless infrastructure provider in Canada, with annual revenues of approximately $150 million.

L&B provides a full suite of outsourced wireless services including network design, installation and management, and tower engineering and construction. It employs the most advanced technologies in the fields of high-frequency radio transmission and reception, site co-location and network management. Onex' initial investment in L&B is approximately $70 million for a controlling interest.

The company has a strong list of industry-leading customers in the rapidly growing wireless infrastructure industry, including Bell Mobility, Telus/Clearnet, Rogers AT&T, BellSouth, Southwestern Bell, CBS, NBC and Fox. In addition, L&B has extensive relationships with major telecommunications equipment manufacturers such as Nortel, Lucent, Ericsson, Siemens and Alcatel.

Globally, wireless services are relatively new. As demand for new applications such as wireless data and high-speed access expands rapidly, providers are expected to outsource more of their infrastructure requirements in order to focus on customer acquisition and service. U.S. wireless infrastructure spending is forecasted to grow from $6 billion in 2002 to $50 billion by 2004, and similar rates of growth are likely in Canada. L&B is a key platform on which we intend to build a major wireless infrastructure company capable of taking advantage of this growth.

Other Assets

Onex has a variety of smaller holdings that enable us to diversify risk and return while building value in attractive growth industries.

@Onex

The mandate of @Onex is to provide early-stage capital to companies in the electronic business-to-business ("B2B") and technology infrastructure sectors of the economy. Since its creation in the third quarter of 1999, the company has made six investments totalling US$17 million.

Fulfilling @Onex' objective of creating long-term value by investing in emerging technology companies was a challenge in 2000. Public markets were very volatile for Internet and technology issues, with the shares of a majority of business-to-consumer ("B2C") companies trading down 90 percent or more from their highs. B2B companies fared much better due to stronger revenue models and real growth, while infrastructure and outsourcing services continued their strong growth.

During 2000, @Onex concentrated on making technology-related investments in sectors such as automotive, restaurant supply and electronics manufacturing services. These are sectors in which Onex has accumulated industry expertise that can prove valuable in evaluating an acquisition and providing subsequent strategic guidance for growth. Additionally, @Onex sold SupplierMarket.com to Ariba, Inc. for a return of approximately five times its original investment in nine months. Apart from the value creation opportunities represented by the portals @Onex has funded, Celestica, Sky Chefs and J.L. French have also enjoyed direct cost savings on materials procurement as a result of @Onex' strategy.

In February 2001, Onex announced that it had led a private equity financing in Unitive, Inc. Onex invested about US$10 million for an approximate 18 percent ownership interest and acquired options that will allow the Company to almost double its ownership position. Other equity participants include Celestica as well as other EMS providers and semiconductor manufacturers. Unitive provides a wide variety of semiconductor packaging services, including patented flip-chip processes that enable the company to manufacture advanced interconnect solutions from a broad array of materials. These services enable semiconductors to be made smaller, faster and cheaper than those currently in use, and so represent an excellent opportunity to create value from the continuing demand for computing power.

Telecommunications sector

Onex is a general partner with New York-based Crest Communications Holdings ("Crest"), a manager of equity capital with expertise in the communications industry. Crest typically invests US$5 million to US$20 million per company in two primary sectors: businesses that provide integral services on an outsourced basis to existing and emerging communications providers; and companies developing core applications that will benefit from the increased availability of bandwidth to homes and businesses. During 2000, Onex committed US$4 million to opportunities identified by Crest, bringing our total investment with them since 1999 to US$11 million. We have co-invested in 17 very attractive enterprises to date, including a provider of structured wiring solutions for the residential market; a supplier of high-performance professional video-processing systems; a leading provider of web hosting services; a company that designs and maintains complex, packet-based communications networks; and a developer of an optical management system for use in communications network transport and switching.

Despite difficult market conditions for new technology companies in the second half of the year, two Crest investments – Viasource Communications and Interland – completed successful initial public offerings in 2000.

Gramercy Communications Partners ("Gramercy") is a partnership formed with Telefónica SA of Spain in 1999. In 2000, significant downward adjustments to the values of certain investments made by Gramercy resulted in Onex adjusting the carrying value of its Gramercy-related investments to reflect those value erosions and certain losses that have occurred.

Phoenix Pictures

Phoenix Pictures produces feature-length filmed entertainment for general distribution and new visual media channels. The studio's long-term goal is to build a library of high-quality productions that has substantial asset value.

Urban Legends: Final Cut, the sequel to Phoenix's very profitable *Urban Legend* teen horror film, was released nationally in September 2000. The picture led U.S. box office receipts on its first weekend and enjoyed successful openings in Australia and South Africa.

Prior to the important Thanksgiving Day weekend in the United States, Phoenix released the much-anticipated *The Sixth Day*. The US$105 million sci-fi action thriller stars Arnold Schwarzenegger, Robert Duvall and Tony Goldwyn. The film is being distributed by Sony, Canal Plus and Pioneer under output agreements with Phoenix.

Vencap

In January 1996, Onex acquired Vencap, an Alberta-based company that invested in middle-market growth opportunities in western Canada and the Pacific Northwest and Rocky Mountain regions of the United States. Vencap's portfolio of operating companies was subsequently reduced from 34 companies to one company. Gross proceeds from the time of acquisition to the end of 2000 from realizations on the Vencap operating companies have totalled approximately $130 million, well above our investment of approximately $25 million. The remaining investment, PTI Group ("PTI"), supplies accommodation and food services for oil and natural gas drilling and mining sites; At December 31, 2000, Vencap owned approximately 19 percent of PTI. In early 2001, PTI was merged with Oil States International and was taken public in February 2001. Onex owns approximately 1.9 million shares of the company.

Management's Discussion and Analysis

Management's discussion and analysis ("MD&A") provides a review of Onex Corporation's results of operations and financial condition for the years ended December 31, 2000 and 1999. The MD&A comprises two sections, a Financial Review of the consolidated results and a discussion of Risk Management.

The MD&A is in addition to the consolidated financial statements and related notes (pages 50 to 81) for the years ended December 31, 2000 and 1999. All amounts are in Canadian dollars unless otherwise indicated.

2000 Financial Highlights

- Revenues increased to $24.5 billion, up 65%.
- Operating earnings grew to $1.3 billion, up 57%.
- Net earnings were $188 million ($1.15 per share) compared to $294 million ($1.80 per share) in 1999.
- Cash flow increased 73% to $931 million ($5.70 per share) from $539 million ($3.29 per share) in 1999.
- Assets at the end of the year totalled $19.7 billion, an increase of $7.3 billion from the end of 1999.

Financial Review

This section compares the consolidated financial results for the fiscal years ended December 31, 2000 and 1999 and analyzes significant changes in the financial statement components which comprise the consolidated statements of earnings, consolidated balance sheets and consolidated statements of cash flows. As part of this discussion, we assess the impact of risks, uncertainties and future trends on the Company and present our outlook for 2001.

Onex' operating companies and its ownership position in those companies as at December 31, 2000 and 1999 are summarized in Table 1. These companies are consolidated for financial statement purposes. In addition, Onex' ownership interest in Galaxy Entertainment, @Onex, Gramercy Communications Partners, Crest Communications Holdings and Phoenix Pictures are accounted for at cost in the consolidated financial statements. Additional information on the industry segments in which our companies operate is provided in note 23 to the consolidated financial statements.

Consolidated Companies

TABLE 1 *(as at December 31)*	2000	1999
Celestica	20%	22%
Sky Chefs	47%	47%
ClientLogic	70%	81%
Dura Automotive	8%	8%
J.L. French Automotive Castings	37%	45%
Performance Logistics Group	49%	62%
Commercial Vehicle Systems	45%	–
Performance Marketing Global	62%	–
Bostrom	52%	–
MAGNATRAX	53%	55%
Lantic Sugar	61%	61%
InsLogic	49%	–
ONCAP	25%	–
Vencap	99%	99%

Change in accounting policies

In 2000, Onex adopted the provisions of two new *CICA Handbook* accounting principles: "Income Taxes" (Section 3465) and "Employee Future Benefits" (Section 3461). The adoption of these principles resulted in a $9 million retroactive net adjustment being reflected as a reduction to shareholders' equity. The prior years' consolidated financial statements were not restated. Additional details are provided in notes 16 and 21 to the consolidated financial statements.

CONSOLIDATED OPERATING RESULTS

Consolidated revenues increase 65 percent

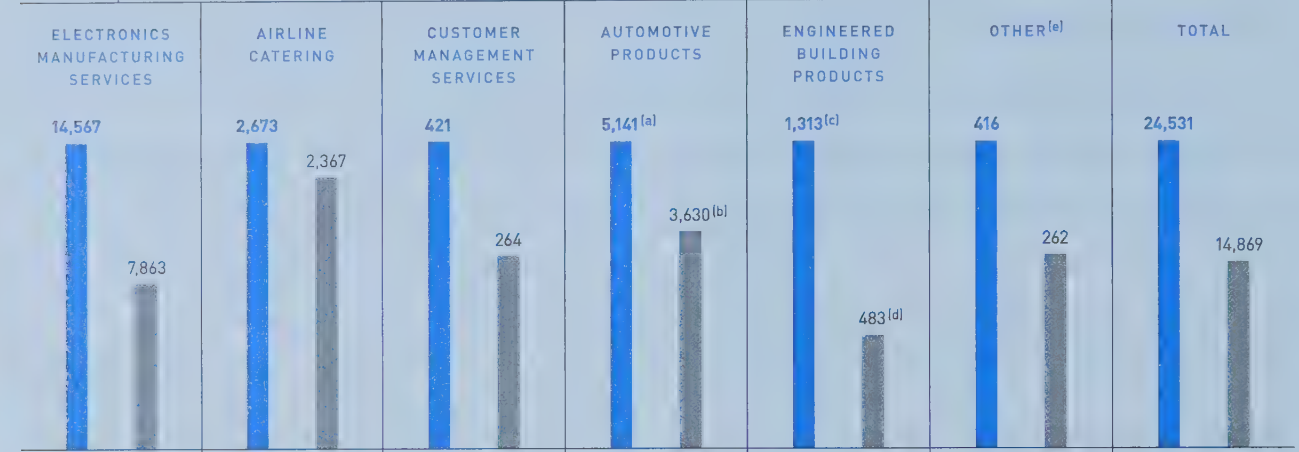
Consolidated revenues were $24.5 billion in 2000, a 65 percent increase over the $14.9 billion recorded in 1999. The substantial growth in revenues reflects Onex' continuing strategy of building its operating companies.

Chart 1 shows revenues by industry and geographic segment for 2000 and 1999. The following discussion highlights the year-over-year components of the consolidated revenue increase by industry segment and operating company.

Electronics Manufacturing Services Celestica's rapid pace of revenue growth continued in 2000. Revenues were $14.6 billion, up $6.7 billion or 84 percent from the $7.9 billion recorded in 1999. Customers in the communications and server industries drove most of this growth. Of the total year-over-year revenue growth, 60 percent was attributable to organic growth (defined as the increase in revenues excluding business

Revenue Diversification by Industry and Geographic Segment

CHART 1 | *($ millions)*



	Electronics Manufacturing Services 00	99	Airline Catering 00	99	Customer Management Services 00	99	Automotive Products 00	99	Engineered Building Products 00	99	Other[e] 00	99	Total 00	99
U.S	27%	23%	84%	86%	70%	81%	58%	64%	70%	96%	–	–	42%	46%
Canada	28%	39%	3%	4%	8%	6%	11%	3%	29%	4%	100%	100%	23%	24%
Europe	27%	21%	–	–	22%	13%	25%	31%	–	–	–	–	22%	19%
Other[f]	18%	17%	13%	10%	–	–	6%	2%	1%	–	–	–	13%	11%

(a) Includes the operations of Commercial Vehicle Systems and Bostrom from their respective March 31, 2000 and October 2000 dates of acquisition.
(b) Includes the operations of J.L. French and Nelson Metals from their respective April 1999 and October 1999 dates of acquisition.
(c) Includes the operations of Jannock Limited from its March 2000 acquisition.
(d) MAGNATRAX includes the operations of American Buildings and Republic Builders Products from their respective May 1999 and September 1999 dates of acquisition.
(e) 2000 includes Lantic Sugar, InsLogic, ONCAP, Vencap and Parent Company and 1999 includes Lantic Sugar, Vencap and Parent Company.
(f) Other includes primarily operations in Central and South America as well as Asia and Australia, which are not individually significant.

from operations acquired during the last 12 months) generated by existing business and new customers across all geographic segments. Acquisition-related revenue growth accounted for 40 percent of the total increase and was due primarily to the purchases in February and May 2000 of certain assets and operations from IBM located in Rochester, Minnesota and Vimercate, Italy.

Airline Catering Sky Chefs reported revenues of $2.7 billion in 2000, up $306 million or 13 percent from $2.4 billion in 1999. With the acquisitions of Orval Kent and Pennant Foods in 2000, Sky Chefs established a platform in home meal replacement solutions, a new core business; these acquisitions added $288 million to revenues in 2000. Revenues from Sky Chefs' primary business, airline catering, also increased due to new airline catering contracts and increased levels of food service. The high level of airline travel, particularly in North American markets, also enhanced revenues. These increases were partially offset by a decrease in revenues related to the sale of some of Sky Chefs' Australian operations and to no longer consolidating the balance.

Customer Management Services ClientLogic continued its momentum during the year with revenues of $421 million, an increase of $157 million or 59 percent over 1999. The successful integration of the five acquisitions completed in 1999 and 2000, substantial new business awards from major companies and increased business from existing clients drove ClientLogic's revenue growth in 2000. Approximately 55 percent of the revenue increase was due to growth from existing and new clients, while 45 percent was due to revenues associated with acquisitions.

Automotive Products Dura Automotive achieved strong growth in 2000, with revenues reaching $3.9 billion. This was an increase of $657 million or 20 percent over 1999. A full year of revenues from the four acquisitions completed in 1999, new business awards and strong OEM production levels in the first half of 2000 contributed to this growth. The full impact of these factors was offset by temporary production shutdowns at Ford on popular light truck models and by a general softening in demand for cars and light trucks in the third and fourth quarters of the year.

J.L. French, Onex' platform company in the aluminum die-cast automotive parts segment, reported revenues of $828 million, up 123 percent from the $371 million reported in 1999. The inclusion of a full year of revenues from both J.L. French, which was acquired in April 1999, and Nelson Metal Products, which J.L. French acquired in October 1999, contributed $339 million of the J.L. French revenue growth. The balance of the revenue growth resulted from new business awards in 2000.

Onex' acquisitions of Commercial Vehicle Systems on March 31, 2000 and Bostrom in October 2000 effectively doubled the size of its platform in the heavy-duty truck market and added $90 million to Onex' consolidated revenues in 2000.

Performance Logistics Group, a new platform that provides transportation and logistics services to automotive OEMs, contributed $269 million to consolidated revenues in 2000. The contribution resulted from a full year of results of Hadley, acquired in December 1999, and partial year results from E. and L. Transport Company ("E&L"), acquired May 31, 2000.

Engineered Building Products MAGNATRAX reported revenues of $1.3 billion in 2000, up 172 percent from $483 million in 1999. A substantial portion of the revenue increase resulted from MAGNATRAX' acquisition of Jannock in March 2000, which doubled the company's size. The inclusion of a full year of revenues from MAGNATRAX, established in May 1999 following the acquisition of American Buildings, and from Republic Builders Products, acquired by MAGNATRAX in September 1999, accounted for $205 million of the revenue growth in 2000.

Other Businesses Lantic Sugar reported revenues of $251 million compared to $262 million in 1999, a decrease of four percent. An increase in refined sugar volumes was offset by lower average selling prices due to lower costs for raw sugar on world markets.

ONCAP added $161 million in revenues derived primarily from its acquisition of EnSource Industries in 2000.

Consolidated operating earnings grow 57 percent

We define operating earnings as EBIAT, or earnings before interest expense, amortization of goodwill, acquisition expenses and taxes. This is the measure Onex uses to evaluate the performance of its operating companies.

Operating Earnings

TABLE 2 *($ millions)*	**2000**	1999
Electronics Manufacturing Services	**596**	280
Airline Catering	**159**	157
Customer Management Services	**(32)**	(11)
Automotive Products	**452**[a]	354[d]
Engineered Building Products	**109**[b]	47[e]
Other[c]	**4**	(6)
Total	**1,288**	821

(a) Includes the operations of Commercial Vehicle Systems and Bostrom from their respective March 31, 2000 and October 2000 dates of acquisition.
(b) Includes the operations of Jannock acquired in March 2000.
(c) Other includes Lantic Sugar, InsLogic, ONCAP, Vencap and Parent Company.
(d) Includes the operations of J.L. French and Nelson, acquired in April and October 1999 respectively.
(e) Includes the operations of MAGNATRAX and Republic Builders Products, acquired in May and September 1999 respectively.

In 2000, Onex' consolidated operating earnings totalled $1.3 billion, an increase of $467 million or 57 percent from the $821 million reported in 1999. Table 2 details operating earnings by industry.

Electronics Manufacturing Services Celestica's operating earnings grew by $316 million or 113 percent. This strong growth was due primarily to the

company's substantial revenue increase in 2000, including the results from acquisitions. As well, Celestica increased margins with improved cost management supply-chain initiatives and increased facility utilization in all of the company's geographies.

Airline Catering Ongoing productivity improvements enabled Sky Chefs to maintain in-flight catering margins at 1999 levels despite a tight hourly labour market in the United States that placed significant upward pressure on wage costs. Operating earnings increased by $2 million to $159 million in 2000. The contribution to operating earnings from the home meal replacement business was relatively small, as the business was established during 2000.

Customer Management Services ClientLogic's required investments in infrastructure to build its service capabilities, fulfillment business and European operations resulted in a significant level of added costs in 2000. These investments in future growth resulted in an operating loss of $33 million compared to a loss of $8 million in 1999. These losses reflect the investments in infrastructure required in the early stages to build the company's industry-leading position.

Automotive Products Onex' automotive OEM product supply businesses increased their operating earnings 28 percent or $98 million over 1999 results. The increase was due to acquisitions, new business awards and results from a new automotive platform.

Dura Automotive contributed an incremental $35 million to operating earnings over last year from new business awards in 2000 and the inclusion of a full year of operating earnings from four acquisitions completed in 1999. The full impact of these transactions on operating earnings was partially offset by a $24 million charge related to a product recall settlement with a major customer.

J.L. French contributed $19 million to Onex' operating earnings growth in 2000. The increase was due primarily to the inclusion of the first full year of operations since the company's April 1999 acquisition, and J.L. French's subsequent acquisition of Nelson in October 1999. Despite the overall growth in operating earnings, J.L. French's results were unfavourably affected by costs incurred to achieve operating efficiencies at Nelson. The operational synergies possible with that add-on acquisition were not realized in 2000.

Performance Logistics Group added $23 million to consolidated operating earnings. This contribution reflected a full year of results of Hadley, acquired in December 1999, and seven months of results from E&L, acquired May 31, 2000. Rapid increases in fuel prices that could not be recovered from customers hampered the otherwise strong growth in Performance Logistics Group's operating earnings.

The purchase of Commercial Vehicle Systems in March 2000 and Bostrom in October 2000 added $14 million to consolidated operating earnings in 2000.

Engineered Building Products In 2000, MAGNATRAX' contribution to Onex' operating earnings increased 132 percent to $109 million. The increase was due to the inclusion of the first full year of operating earnings since the May 1999 purchase of American Buildings, its September 1999 acquisition of Republic Builders Products, and due to the inclusion of Jannock's operations from the time of its acquisition in March 2000. MAGNATRAX' operating earnings were negatively affected in 2000 by inefficiencies incurred while integrating the Jannock and Republic Builders Products acquisitions with existing operations.

Other Businesses The slight decline in Lantic Sugar's operating earnings was due primarily to production ramp-up costs at the newly expanded Montreal facility and to costs associated with the closure of the company's Saint John facility.

In 2000, InsLogic incurred an operating loss of $39 million as it built its technology-driven private-label insurance brokerage service. Essentially all of the costs associated with the development of the technology platform are being incurred before any significant levels of revenues will be recorded.

Amortization of goodwill, intangible assets and deferred charges

Amortization of goodwill, intangible assets and deferred charges represents a significant non-cash charge that amounted to $322 million in 2000 and $206 million in 1999. In an accounting sense, goodwill typically arises in an acquisition when there is a difference between the fair value of the identifiable assets and liabilities acquired and the actual price paid for the acquired business. The difference is amortized over its useful "life".

The acquisitions completed by Onex and its operating companies during 2000 (see Table 9 for details of 2000 and 1999 acquisitions), and the inclusion of a full year of goodwill amortization for those significant acquisitions completed in 1999 accounted for the increase in the amount of amortization of goodwill and intangible assets. Note 23 to the consolidated financial statements shows goodwill amortization by industry segment. The amortization periods for goodwill vary by industry. A significant portion of the increase in amortization expense in 2000 was due to acquisitions by Celestica and ClientLogic, in which goodwill and intangible assets are amortized over 10 and five years, respectively.

Writedown of goodwill and intangible assets

The management of each operating company annually undertakes a review of the value of its recorded goodwill and intangible assets to assess whether technological advances or changing business or economic circumstances have impaired their values. In 2000, ClientLogic's management assessed that certain specialty services would not be provided in the future. Accordingly, goodwill associated with those activities in the amount of $22 million was written off. In 1999, ClientLogic wrote off a $33 million asset associated with a specialty service it had acquired in the United Kingdom; the service was discontinued subsequent to the acquisition.

Interest expense of operating companies

Interest expense attributable to our operating companies was $506 million compared to $320 million in 1999. When acquiring companies, it is Onex' policy to structure the acquisitions with sufficient equity in the acquired company to enable it to self-finance a significant portion of the acquisition cost with a prudent level of debt. The level of debt assumed is then commensurate with the operating company's future cash flows, including the funds required to pursue growth strategies. It is the responsibility of the acquired company to meet its debt service obligations. Each operating company's debt is without recourse to Onex or to any of Onex' other operating companies or partnerships.

Table 3 shows the change in consolidated interest expense of the operating companies between 2000 and 1999. Much of the significant growth of the businesses, including acquisitions, has been financed with debt.

Change in Interest Expense

TABLE 3 *($ millions)*	
Reported interest expense for 1999	320
Additional interest expense in 2000 due to financing:	
Sky Chefs' acquisitions	14
ClientLogic's acquisitions	9
Dura Automotive's acquisitions	55
J.L. French's acquisitions	44
Performance Logistics Group	11
Commercial Vehicle Systems	7
MAGNATRAX' acquisitions	41
Other	5
Reported interest expense for 2000	506

Accounting gains on shares of operating companies

Net after-tax gains recognized by Onex and its operating companies in 2000 were $237 million compared to $392 million reported in 1999. Table 4 details the nature of the gains for 2000 and 1999.

Celestica completed a treasury offering of 16.6 million shares in March 2000 for proceeds of $1.1 billion. While Onex did not sell any of its shares of Celestica in this offering, the share issue generated a $158 million accounting dilution gain and reduced Onex' ownership in Celestica to 19 percent. The dilution gain represents the increase in the book value of Onex' interest in Celestica as a result of the shares being issued to shareholders other than Onex.

Onex recorded an accounting dilution gain of $95 million arising from a private equity offering completed by ClientLogic in August 2000. ClientLogic deployed the funds raised on infrastructure development to support the growing demand for its services. In October 2000, ClientLogic issued shares as the primary consideration in its acquisition of ACS TeleServices. This resulted in Onex recording an additional $17 million accounting dilution gain. As a result of these transactions, Onex' ownership was reduced from 81 percent to 70 percent.

In May 1999, Onex sold an additional ownership interest in Sky Chefs to LSG Lufthansa Services ("LSG") that generated net proceeds of approximately $300 million and a pre-tax gain of $279 million. Pursuant to the terms of that sale agreement, Onex received a further $43 million in proceeds in 2000. These "earn-out" proceeds were based on the achievement of earnings-related targets in 1999. A further $45 million is expected to be received in 2001 based on the achievement of 2000 targets.

During 2000, Onex established provisions against the value of certain of its non-controlled entities. These provisions were made to reflect what are considered to be permanent declines in the realizable value of the assets. In particular, these provisions relate to ownership interests in telecommunications and start-up companies in which Onex did not have a controlling interest.

Accounting Gains on Shares of Operating Companies

TABLE 4 ($ millions)	2000	1999
Issue of shares by Celestica	**158**	158
Sale of portion of Sky Chefs to LSG	**43**	279
Issue of shares by ClientLogic	**112**	–
Sky Chefs' transfer of European operations to joint venture with LSG	–	28
Sale of Purolator Courier shares	–	43
Vencap disposition of operating companies	–	23
Issue and sale of Dura Automotive shares	–	4
Sale of non-controlled entities	**21**	–
Provisions on value of certain non-controlled entities	**(82)**	(21)
Gains before tax provision and non-controlling interests	**252**	514
Tax provision	**(15)**	(104)
Non-controlling interests in gains	–	(18)
Net after-tax gains on shares of operating companies	**237**	392

Acquisition, integration and other expenses

We consider acquisition, integration and other expenses to be one-time costs incurred to realign organizational structures and obtain operational synergies critical to building the long-term value of our operating companies. In 2000, acquisition, integration and other expenses totalled $43 million compared to $60 million in 1999. Table 5 details the costs incurred by operating company.

Acquisition, Integration and Other Expenses

TABLE 5 ($ millions)	2000	1999
Celestica	**24**	14
Sky Chefs	**4**	22
ClientLogic	**9**	–
Dura Automotive	**3**	15
Other[a]	**3**	9
Total	**43**	60

(a) Other includes ONCAP and Parent Company.

Celestica incurred costs of $24 million in 2000 compared to $14 million in 1999 for the integration of acquisitions completed in those years. These costs were required to implement marketing and distribution processes, install compatible information technology systems and to start up greenfield sites.

Sky Chefs continued to integrate the Ogden kitchens it acquired in 1998. Integration costs were $4 million in 2000 and $22 million in 1999.

ClientLogic spent $9 million during 2000 on the implementation of integrated systems to achieve operational synergies from the acquisitions it completed during 1999.

Dura Automotive incurred $3 million in integration costs compared to $15 million in 1999 for the implementation of business processes, infrastructure and information systems at acquisitions completed during 1999.

Debt prepayment costs

Certain of Onex' operating companies refinanced or prepaid debt to enhance financial flexibility and reduce future interest costs. Debt prepayment costs incurred were $3 million in 2000 compared to $19 million in the prior year. ClientLogic incurred costs of $3 million associated with the refinancing of its debt in 2000.

In 1999, Dura Automotive incurred $13 million in expenses for the prepayment of approximately $330 million of debt. J.L. French incurred $6 million in costs associated with bridge financing required for its purchase. The bridge financing was subsequently repaid with subordinate debt issued by J.L. French.

Debt Prepayment Costs

TABLE 6 *($ millions)*	2000	1999
ClientLogic	3	–
Dura Automotive	–	13
J.L. French	–	6
Total	3	19

Consolidated net earnings

Consolidated net earnings were $188 million compared to the $294 million reported in 1999. Table 7 shows Onex' share of the net earnings by industry segment as well as the contribution resulting from the net gains on sales of shares of operating companies.

Consolidated Net Earnings

TABLE 7 *($ millions)*	2000	1999
Onex' share of net earnings (loss):		
Electronics Manufacturing Services	56	20
Airline Catering	6	(9)
Customer Management Services	(113)	(53)
Automotive Products	–	1
Engineered Building Products	12	7
Other[a]	(10)	(64)
Net gains on shares of operating companies[b]	237	392
Consolidated net earnings	188	294

(a) Other includes Lantic Sugar, InsLogic, ONCAP, Vencap and Parent Company.
(b) After tax and non-controlling interests.

While the details of consolidated earnings have been reviewed in the preceding paragraphs, the key reasons for the change in net earnings can be summarized as: (i) significant costs required to build the ClientLogic and InsLogic platforms, including goodwill amortization associated with acquisitions; (ii) a lower level of accounting gains on shares of operating companies in 2000; and (iii) provisions established against the value of certain non-controlled entities. On a comparative basis, in 1999 Onex realized a significant gain on the sale of a portion of Sky Chefs sold to LSG.

Net earnings per share were $1.15 in 2000 compared to $1.80 in 1999. The weighted average number of shares outstanding for the purpose of calculating earnings per share was 163,278,000 compared to 163,908,000 in 1999. On a fully diluted basis, net earnings per share amounted to $1.07 compared to $1.67 in 1999. The dilution per share resulted from the

outstanding share purchase options on Onex' shares, as well as warrants or options granted by its operating companies, which potentially reduced Onex' share of earnings in the operating companies.

In May 2000, Onex' shareholders approved a two-for-one stock split of Onex' Subordinate Voting Shares, which was effective June 1, 2000. This followed a similar two-for-one stock split that was effective June 1, 1999. The per share figures presented in Table 8 reflect the effect of these stock splits.

Net Earnings per Subordinate Voting Share

TABLE 8 *($ per share)*	**2000**	1999
Basic	**1.15**	1.80
Fully diluted	**1.07**	1.67

Numbers have been restated to reflect the two-for-one stock splits in June 2000 and June 1999.

CONSOLIDATED FINANCIAL POSITION

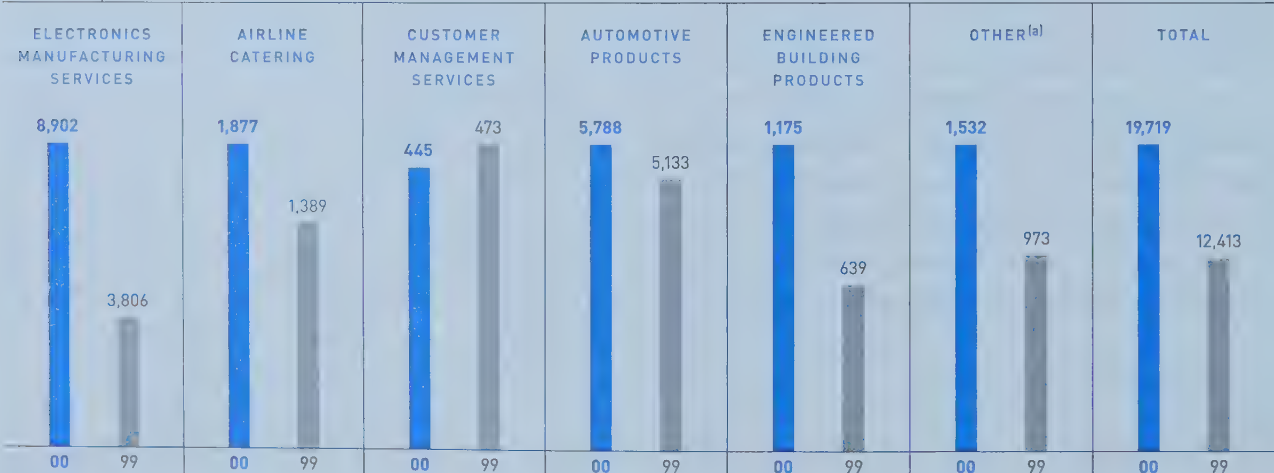
Consolidated assets

Consolidated assets increased significantly at year end to $19.7 billion, up $7.3 billion or 59 percent from $12.4 billion at December 31, 1999. Chart 2 shows Onex' consolidated assets by industry segment and geography. The industries in which Onex' subsidiaries operate are discussed in greater detail on pages 4 to 29 of this report.

Onex' significant asset growth was driven primarily by acquisitions completed by Onex and its operating companies during the year. The aggregate value of assets acquired during 2000 totalled $3.2 billion compared to $5.0 billion in 1999. The acquisitions completed by Onex and its operating companies during 2000 and 1999 are described in greater detail in the table that follows, as well as in note 2 to the consolidated financial statements.

Asset Diversification

CHART 2 *($ millions)*



	EMS 00	EMS 99	Airline Catering 00	Airline Catering 99	CMS 00	CMS 99	Automotive 00	Automotive 99	EBP 00	EBP 99	Other[a] 00	Other[a] 99	Total 00	Total 99
U.S	**19%**	27%	**95%**	88%	**69%**	71%	**64%**	64%	**66%**	100%	**45%**	68%	**45%**	58%
Canada	**31%**	33%	–	–	**4%**	5%	**4%**	4%	**34%**	–	**55%**	32%	**22%**	14%
Europe	**32%**	20%	**1%**	3%	**27%**	24%	**29%**	30%	–	–	–	–	**24%**	20%
[illegible]	**18%**	20%	**4%**	9%	–	–	**3%**	2%	–	–	–	–	**9%**	8%

(a) Includes Lantic Sugar, InsLogic, ONCAP, Vencap and Parent Company.

(b) Other includes primarily operations in Central and South America as well as Asia and Australia, which are not individually significant.

2000 Acquisitions

TABLE 9 | *Operating Company and Acquisition Cost*

Celestica – **$1,223 million**	Four acquisitions in 2000: • Enterprise Systems Group of IBM – printed circuit assembly and test services in Minnesota, United States and Microelectronics Division of IBM – printed circuit board assembly services in Vimercate and Santa Palomba, Italy • NDB Industrial – an NEC communications network equipment manufacturing operation in Brazil • Bull Electronics – a contract manufacturer located in Massachusetts, United States • NEC Technologies (U.K.) – a wireless communications products manufacturing facility in the United Kingdom
Sky Chefs – **$474 million**	Three acquisitions in the home meal replacement business in 2000: • Orval Kent – a U.S. national provider of refrigerated prepared foods • Pennant Foods – a manufacturer and distributor of bakery products in Illinois, United States • La Francaise Bakery – a U.S. producer of premium quality bakery products
ClientLogic – **$34 million**	Acquisition of ACS TeleServices – a provider of integrated customer relationship management services
MAGNATRAX – **$787 million**	Acquisition of Jannock – a manufacturer and distributor of metal building systems and products for the North American market
Dura Automotive – **$90 million**	Two acquisitions in 2000: • Jack division of Ausco Products – a manufacturer of automotive jacks primarily for North American automotive OEMs • Reiche GmbH & Co. KG Automotive Components – a manufacturer of steering columns for European and North American automotive OEMs
J.L. French – **$10 million**	Acquisition of Shoreline Industries – a manufacturer of high-pressure aluminum die-cast components principally for the automotive industry
Performance Logistics Group – **$158 million**	Acquisition of E&L Transport – a distributor of vehicles and provider of logistics services for automotive OEMs in the United States
Commercial Vehicle Systems – **$150 million**	Onex' acquisition of Commercial Vehicle Systems, a leading manufacturer and supplier of wiper, mirror and control systems for the North American medium- and heavy-duty commercial vehicle market
Bostrom – **$176 million**	Onex' acquisition of a manufacturer of seats for the heavy truck, construction and agricultural vehicle markets
ONCAP – **$118 million**	Two acquisitions in 2000: • EnSource Industries – a provider of engineered oil and gas processing equipment and an instrumentation contractor • EnSource Industries completed a reverse takeover of Enhanced Energy Services – a provider of specialized equipment for natural gas producers

1999 Acquisitions

TABLE 9 | *Operating Company and Acquisition Cost*

Celestica – $139 million	Five acquisitions in 1999: • Signar SRO – a manufacturing facility in the Czech Republic • VXI Electronics – a manufacturer of power conversion products • A Hewlett-Packard medical equipment segment production facility • EPS wireless and certain assets of a specialized repair facility from International Computers
Sky Chefs – $4 million	Acquisition of airline catering businesses in Brazil and Chile
ClientLogic – $283 million	Four acquisitions in 1999: • LCS Industries – a provider of marketing services, fulfillment and continuity programs • Cordena Call Management – an operator of customer contact and fulfillment centres in Europe • Groupe Adverbe International – an operator of customer contact centres in France • MarketVision – a creator of customer relationship management software systems for technology and web-based companies
Dura Automotive – $2,383 million	Four acquisitions in 1999: • Adwest Automotive – a supplier of driver control products to European OEMs • Excel Industries – a supplier of window, door and seating systems • Metallifacture – a European manufacturer of jacks and tire carriers • Meritor Automotive – a manufacturer of seat track mechanisms
J.L. French – $1,435 million	Onex' acquisition of J.L. French, a leading manufacturer of engineered aluminum die-cast automotive parts • J.L. French acquires assets of Inyecta Alum, a Mexican aluminum die-caster, and shares of Nelson, a manufacturer of medium- and large-sized aluminum die-castings for OEMs
Performance Logistics Group – $109 million	Acquisition of Hadley, a leading U.S.-based distributor of vehicles for automotive OEMs
MAGNATRAX – $622 million	Onex' acquisition of a leading North American manufacturer of metal buildings, roofing and door systems • MAGNATRAX acquires Republic Builders Products – a manufacturer of commercial and industrial steel doors

Capital expenditures

Capital expenditures for facilities and equipment during 2000 totalled $903 million, up from $585 million in 1999. Table 10 shows capital expenditures by industry segment. In particular, Celestica spent $386 million to increase capacity and improve processes at its manufacturing facilities. This included greenfield start-up operations in Brazil, Malaysia and Mexico. Sky Chefs invested $65 million, primarily to modernize and expand its kitchens in various U.S. markets. ClientLogic spent $84 million to build new customer contact centres and fulfillment facilities to support its growing customer base. This included four new sites in North America, two in Europe and the expansion of two existing North American sites. Dura Automotive invested $117 million to improve its manufacturing facilities. J.L. French spent $146 million on equipment upgrades and facility expansions to meet requirements for new business awards. This included adding aluminum melting capacity at its facility in Kentucky, United States and die-casting capacity in the United Kingdom and Spain. Lantic Sugar spent $62 million to complete the modernization and expansion of its Montreal facility.

Consolidated debt

It has been Onex' policy to preserve a financially strong Parent Company that has funds available for new acquisitions and to support the future growth of its operating companies. Consequently, all debt financing is associated with our operating companies, and each company is required to support its own debt. There are no guarantees by Onex or cross-guarantees between the operating companies. For this reason, there can be no calls on Onex or an operating company for the debt of another operating company. Table 11 shows consolidated long-term debt by operating company.

Capital Expenditures

TABLE 10 ($ millions)	2000	1999
Electronics Manufacturing Services	386	312
Airline Catering	65	49
Customer Management Services	84	34
Automotive Products	235[a]	98[c]
Engineered Building Products	35[b]	16[d]
Other[e]	98	76
Total	903	585

(a) Includes the capital expenditures of Commercial Vehicle Systems and Bostrom from their respective March 31, 2000 and October 2000 dates of acquisition.
(b) Includes the capital expenditures of Jannock, acquired in March 2000.
(c) Includes the capital expenditures of J.L. French and Nelson, acquired in April and October 1999, respectively.
(d) Includes the capital expenditures of MAGNATRAX and Republic Builders Products, acquired in May and September 1999, respectively.
(e) Includes the capital expenditures of Lantic Sugar, InsLogic, ONCAP, Vencap and Parent Company.

Consolidated Long-term Debt Without Recourse to Onex

TABLE 11 ($ millions)	2000	1999
Celestica	195	188
Sky Chefs	1,094	702
ClientLogic	113	147
Dura Automotive	1,907	1,839
J.L. French	869	868
Performance Logistics Group	115	64
Commercial Vehicle Systems	81	–
Bostrom	82	–
MAGNATRAX	553	296
Lantic Sugar	161	163
InsLogic	43	–
Other[a]	32	1
Total current and long-term debt	5,245	4,268

(a) Other includes Performance Marketing Global, ONCAP and Vencap.

Consolidated long-term debt rose 23 percent to $5.2 billion in 2000. The increase resulted principally from debt financing associated with acquisitions. The significant transactions were MAGNATRAX' purchase of Jannock and Sky Chefs' three acquisitions in the home meal replacement industry, as well as debt taken on by Commercial Vehicle Systems and Bostrom in the course of their respective acquisitions in March and October 2000.

Exchangeable debentures

In 2000, Onex issued four series of exchangeable debentures for an aggregate carrying amount of $729 million. The debentures are exchangeable, at the request of the holder, into approximately 9.2 million Celestica subordinate voting shares at fixed exchange rates. At the Company's option, Onex may repay the debentures at any time by delivering the cash equivalent based on the market price of Celestica shares at the time of exchange, or a combination of shares and cash. Onex' obligation upon the exercise of the holders' exchange right is secured by a pledge of approximately 9.2 million Celestica shares. Onex issued the exchangeable debentures as a means of diversifying the risk associated with holding a significant portion of its total value in one operating company.

Shareholders' equity

Shareholders' equity grew $153 million or 12 percent over December 31, 1999. Table 12 identifies the key factors that led to the increase in shareholders' equity between December 31, 1999 and December 31, 2000.

During 2000, Onex issued 145,628 new shares under the Dividend Reinvestment Plan (the "Plan") at an average cost of $22.10 per share, saving $3 million in cash. The Plan enables Canadian shareholders to reinvest cash dividends for new Subordinate Voting Shares of Onex at a five percent discount to a market-related price at the time of reinvestment. During 1999, Onex issued 58,700 new shares at an average cost of $12.19 per share under the Plan.

Onex had a Normal Course Issuer Bid (the "Bid") in place during 2000 to enable it to repurchase up to 10 percent of its public float of Subordinate Voting Shares. In 2000, Onex repurchased 1,618,200 shares under the Bid at a total cost of $35 million. In 1999, Onex did not repurchase any shares under the Bid due to extended periods of time when material events were pending which precluded the Company from repurchasing shares.

The cumulative translation component of shareholders' equity represents primarily the unrealized increase in value of Onex' ownership in U.S.-based operating companies due to changes in exchange rates. The balance is currently recorded as an increase to shareholders' equity and is due to the increase in value of the U.S. dollar relative to the Canadian dollar since the date of the respective acquisitions of the U.S.-based businesses.

The consolidated statements of shareholders' equity on page 54 shows the components of shareholders' equity as at December 31, 2000 and 1999.

Change in Shareholders' Equity

TABLE 12 | *($ millions)*

Shareholders' equity as at December 31, 1999	**1,278**
Change in accounting policies	**(9)**[a]
Stock options surrendered or exercised	**(7)**
Regular dividends declared	**(18)**
Dividend reinvestment plan	**3**
Share repurchases	**(35)**
Currency translation adjustment on self-sustaining foreign operations	**31**
Net earnings for 2000	**188**
Shareholders' equity as at December 31, 2000	**1,431**

(a) Shareholders' equity reflects the retroactive adjustment of a net $9 million relating to the adoption of the new *CICA Handbook* sections "Income Taxes" and "Employee Future Benefits" that became effective January 1, 2000.

Others' ownership in Onex companies

The amount on Onex' balance sheet titled "Non-controlling Interests" represents the ownership interests of investors other than Onex in Onex' operating companies. Table 13 details the change in non-controlling interests from December 31, 1999 to December 31, 2000.

Change in Non-controlling Interests

TABLE 13 | *($ millions)*

Non-controlling interests as at December 31, 1999	2,810
Change in accounting policies	13[a]
Non-controlling interests in 2000 consolidated earnings	259
Investments by shareholders other than Onex in:	
• Celestica	2,255
• ClientLogic	58
• J.L. French	76
• Performance Logistics Group	18
• Commercial Vehicle Systems	23
• Bostrom	25
• MAGNATRAX	80
• InsLogic	6
• ONCAP	65
Dividends paid to non-controlling shareholders in subsidiary companies	(20)
Other, net	5
Non-controlling interests as at December 31, 2000	5,673

(a) Non-controlling interests reflect the retroactive adjustment of $13 million relating to the adoption of the new *CICA Handbook* sections "Income Taxes" and "Employee Future Benefits" that became effective January 1, 2000.

Celestica completed a treasury offering of 16.6 million subordinate voting shares at $66.08 per share in March 2000, which added $1.1 billion (net of the dilution gain) to the non-controlling interest account. Onex did not sell any of its shares as part of this offering, but the offering did dilute Onex' ownership in Celestica from 22 percent to 19 percent. Celestica also raised an additional $1.3 billion (US$850 million) through an offering of 20-year Liquid Yield Option Notes ("LYONs"). The LYONs are zero coupon subordinate debt convertible into Celestica subordinate voting shares, and are recorded for accounting purposes as equity of Celestica.

ClientLogic completed a private equity offering of $149 million, of which shareholders other than Onex contributed $115 million. Net of the dilution gain, this added $20 million to non-controlling interests. In addition, the issuance of shares for ClientLogic's purchase of ACS TeleServices also increased non-controlling interests.

MAGNATRAX issued shares as part of its acquisition of Jannock Limited in March 2000. The value of those shares added $76 million to non-controlling interests.

During 2000, Onex acquired a 45 percent ownership interest in Commercial Vehicle Systems and a 52 percent ownership interest in Bostrom. The book value of other shareholders' interests in these companies added $48 million to non-controlling interests.

The inclusion of ONCAP in Onex' financial results in 2000 added $65 million to non-controlling interests.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Cash flows from operations for 2000 amounted to $931 million, up significantly from $539 million in 1999. This was due in large part to the acquisitions completed in 2000 and the inclusion of a full year for those acquisitions completed in 1999. The use of cash in non-cash working capital items increased to $898 million in 2000 from $422 million in 1999. The major factor affecting this increase was Celestica's build-up of inventory and receivables supporting the significant revenue growth.

Financing activities

Cash flow from financing activities increased to $4.3 billion in 2000 from $2.6 billion in 1999. The increased cash flow from financing activities resulted primarily from Onex' issuance of $729 million of debentures exchangeable into shares of Celestica. Celestica's treasury offering of 16.6 million subordinate voting shares and its LYONs offering also contributed $2.2 billion to the increased cash flow.

Investing activities

Cash flow used in investing activities amounted to $3.1 billion, an increase from $2.1 billion in 1999. In 2000, cash flow for acquisitions was particularly significant for Celestica (IBM acquisitions) and MAGNATRAX (Jannock acquisition), which accounted for $942 million and $420 million, respectively, of the increase. Onex invested $43 million in acquisitions with its purchases of Commercial Vehicle Systems and Bostrom in 2000. Onex also invested $118 million in share offerings of ClientLogic, Performance Logistics Group and MAGNATRAX.

In 2000, cash provided from the sales of shares included $43 million in "earn-out" proceeds from the 1999 sale of a portion of Sky Chefs. The 1999 amount includes the approximately $300 million in proceeds received by Onex on that sale.

Consolidated cash resources

At December 31, 2000, consolidated cash and short-term investments grew to $2.2 billion from approximately $1.0 billion in 1999. The Parent Company at December 31, 2000 had approximately $1.0 billion in cash and near-term investments compared to $0.5 billion at the end of 1999. With these substantial cash resources, Onex is well positioned to take advantage of opportunities to build its existing operating companies and pursue value growth in new industry sectors. Celestica also had cash and short-term investments of over $1.0 billion at December 31, 2000 that is available for future acquisitions in its industry.

Parent Company outlook

With nearly $1 billion in cash and equivalents, Onex ended 2000 in a very strong position to create new platforms for growth and support the strategic expansion of those operating subsidiaries we already own. We intend to help our subsidiaries with those growth strategies, but will do so only when we are convinced that our support will create new value for shareholders. We will also continue to examine many opportunities in the new economy. We expect that the economic downturn of 2001 will provide us with some attractive opportunities for value creation through highly selective purchases.

Subsequent to year end, Onex subsidiaries announced numerous acquisitions that will enhance their scope, scale and leadership; these are discussed in the individual company sections of this report. Onex, the Parent Company, also announced two stand-alone acquisitions. In January, we agreed to acquire LeBlanc Ltd. and BMS Communications Services Ltd., which are collectively the largest full-service wireless infrastructure provider in Canada, with revenues of approximately $150 million. The business is already the clear leader in its industry, and we intend to build it further to take advantage of the enormous growth in demand for wireless infrastructure in Canada and the United States.

In February, we announced that we had signed an agreement with Loews Cineplex Entertainment Corporation ("Loews Cineplex") to acquire all of the company's operations on behalf of an investor group led by Onex. Loews Cineplex is one of the largest publicly traded theatre exhibition companies in North America, with nearly 3,000 screens in 365 locations. The company also has a variety of international venues.

The equity investment will be valued at approximately $375 million and will require a comprehensive restructuring of Loews Cineplex's outstanding indebtedness. Onex' investment will be about $170 million, giving the Company a controlling ownership interest. Closing of the proposed transaction is expected during the third quarter of 2001 and is subject to a variety of regulatory, creditor and shareholder approvals.

During 2001, we will continue to develop strategies to manage risk by diversifying our asset base. While we believe our assets are generally well diversified by industry and geography, a significant portion of the Company's value is attributable to our ownership of Celestica. During 2000, we reduced our exposure to future changes in the value of Celestica by issuing debentures exchangeable for subordinate voting shares of Celestica. We may follow a similar strategy in 2001 in order to prudently manage the value of our holdings in Celestica relative to the total value of Onex. Regardless of the strategy we adopt to maintain a balance in Onex' assets, our confidence in the continuing success and value creation of Celestica is undiminished. We continue to view ourselves as a long-term owner of the business, and our voting interest in Celestica has not been reduced by the issuance of the exchangeable debentures. It is an outstanding organization with exceptional opportunity for ongoing growth.

Risk Management

As managers, it is our responsibility to identify and manage business risk. As shareholders, we require an appropriate return for the risk we accept.

Managing risk

Onex' general approach to the management of risk is to apply common-sense business principles to the management of the Company and its operating subsidiaries as well as to the acquisition of new businesses. Each year we conduct detailed reviews of many opportunities to purchase businesses, either in new sectors or as add-on acquisitions for existing businesses. Our primary interest is in acquiring well-managed companies with a strong position in growing industries. In addition, we maintain diversification among Onex' operating subsidiaries, which enables us to participate in the growth of a number of high-potential industries with varying business cycles.

An important aspect of diversification is to maintain a prudent balance among Onex' total assets. During 2000, for example, investor enthusiasm for the performance and outlook of Celestica drove its market capitalization up substantially. While we concur with that enthusiasm, prudence dictated that we limit our exposure to future changes in the value of Celestica by issuing debentures exchangeable into subordinate voting shares of Celestica in order to reduce the risk of having too great a portion of our total worth committed to a single operating company.

As a general rule, we attempt to arrange as many factors as possible to minimize risk without hampering our opportunity to maximize returns. When a purchase candidate meets Onex' criteria, for example, we typically pay a fair price, though not necessarily the lowest price, for a high-quality business. We do not commit all of our capital to a single acquisition and will often seek equity partners with whom we can share the risk of ownership. We do not burden an acquired company with a potentially overwhelming amount of debt but seek to structure an acquisition so that it has the financial and operating leeway to create as much long-term growth in value as possible. Finally, we buy in financial partnership with management. This strategy not only gives Onex the benefit of experienced managers but also ensures that an operating subsidiary is run entrepreneurially for the benefit of all shareholders.

Onex maintains an active involvement with its operating subsidiaries, primarily in the areas of strategic planning, financial structures and negotiations, and acquisitions. We encourage them to reduce risk and/or expand opportunity by diversifying their customer bases, broadening their geographic reach and product and service offerings, and improving productivity. In certain instances, we may also encourage a subsidiary to seek additional equity in the public markets in order to continue its growth without eroding its balance sheet. One element of this approach may be, when financial markets are favourable, to prepay existing debt and absorb related penalties with new equity investment.

Specific strategies and policies to manage business risk at Onex and its subsidiaries are discussed below.

Business cycles

Diversification by industry and geography is a deliberate strategy at Onex to reduce the risk inherent in business cycles. Our practice of owning companies in various industries with differing business cycles reduces the risk of holding a major portion of Onex' assets in just one or two industries. Similarly, the Company's focus on building industry leaders with extensive international operations reduces the financial impact of economic downturns in specific regions.

Operating liquidity

It is our view that one of the most important things Onex can do to control risk is to maintain a strong Parent Company with an appropriate level of liquidity. Onex needs to be in a position to support its operating companies when and if appropriate. Maintaining liquidity is important because Onex, as a holding company, generally does not have guaranteed sources of meaningful cash flow.

In completing acquisitions, it is generally Onex' policy to finance a large portion of the purchase price with debt provided by third-party lenders. This debt is assumed by the company acquired and is without recourse to Onex – the Parent Company – its subsidiaries or partnerships. The foremost consideration, however, in developing a financing structure for an acquisition is to identify the appropriate amount of equity to invest. In Onex' view, that is the amount of equity which maximizes the risk/reward equation for both Onex and the acquired company; in other words, the amount which allows the acquired company to not only manage its debt but also have significant financial latitude for the business to vigorously pursue its growth objectives.

While we seek to maximize the risk/reward equation in all acquisitions, there is the risk that the acquired company will not generate sufficient profitability or cash flow to service its debt requirements. If such circumstances arise, the recovery of Onex' equity and any other investment in that subsidiary is at risk.

Interest rate risk

As noted above, Onex generally finances a significant portion of its acquisitions with debt taken on by the acquired subsidiary. An important element in controlling risk is to manage, to the extent possible, the impact of fluctuations in the interest rate on the debt of the subsidiary company.

It has generally been Onex' policy to either fix the interest of the term debt at the time it is entered into or minimize the effect of interest rate increases on a major portion of the debt. This is achieved by taking on debt at fixed interest rates and entering into interest rate swap agreements or financial contracts to control the level of interest rate fluctuation.

The risk inherent in such a strategy is that, should interest rates decline, the benefit of such declines may not be obtainable or may be achieved only at the cost of penalties to terminate existing arrangements. There is also the risk the counterparty in an interest rate swap agreement may not be able to meet its commitments. Guidelines are in place which specify the nature of financial institution that the operating companies can deal with on these interest rate contracts.

At the end of 2000, approximately 32 percent of Onex' consolidated long-term debt was at fixed rates, and an additional approximately 13 percent had contracts in place to fix interest rates.

Currency fluctuations

The majority of the operations of Onex' subsidiary companies were conducted outside of Canada during 2000. As discussed, approximately 42 percent of consolidated revenues and 45 percent of consolidated assets were in the United States. Approximately 35 percent of consolidated revenues were from outside of North America.

Onex' results are reported in Canadian dollars, and fluctuations in the value of the Canadian dollar relative to other currencies can have an impact on Onex' reported results and consolidated financial position. During 2000 there was a net increase in shareholders' equity of $31 million, reflecting the Canadian dollar increase in the value of Onex' net equity in those operating companies that operate in U.S. currency.

Onex holds a substantial amount of cash and marketable securities in U.S.-dollar-denominated securities. The portion of securities held in U.S. dollars is based upon Onex' view of funds it will require for future investments in the United States. Onex does not speculate on the direction of exchange rates between the Canadian and U.S. dollar when determining the balance of cash and marketable securities to hold in each currency, nor does it use foreign exchange contracts to protect itself against translation loss.

Commodity prices

Certain of Onex' operating subsidiaries are vulnerable to price fluctuations in major commodities.

Lantic Sugar minimizes exposure to fluctuating sugar prices with raw sugar purchase contracts that allow physical sugar to be simultaneously hedged at the same price and delivery position.

Celestica purchases a significant volume of electronic components that could be viewed as commodity in nature and subject to fluctuations in price. Celestica manages its exposure in this area by purchasing components only for specific customer contracts, and by having those sale contracts generally include terms or pricing provisions that pass any product cost fluctuations on to the customer.

Steel represents approximately half of MAGNATRAX' production costs. Given the typically long lead times for steel price increases to take effect and certain protections built in to its project quotations and timing, the company finds it unnecessary to hedge against fluctuations in steel prices.

Significant customers

Onex has acquired major subsidiaries and divisions of large companies. As part of these purchases, each of the acquired companies has typically entered into long-term supply arrangements with its former owner. It has been Onex' policy to encourage its operating subsidiaries to quickly diversify their customer bases to the extent practicable in order to manage the risk associated with serving a single major customer. Both Sky Chefs and Celestica primarily relied on one major company at the time of their acquisitions by Onex; both companies now have broadly diversified, and global, bases of significant customers.

Most Onex companies have major customers that represent more than 10 percent of annual revenues. The table in note 19 to the consolidated financial statements provides information on the operating companies' major customers.

Environmental considerations

Onex Corporation has a comprehensive environmental protection policy that has been adopted by its operating companies. Senior officers of each of these companies are ultimately responsible for ensuring compliance with this policy. They are required to report annually to their company's board of directors and to Onex regarding compliance with this policy.

Environmental management by the operating companies is accomplished through the education of employees about environmental regulations and appropriate operating policies and procedures; site inspections by environmental consultants; the addition of proper equipment or the modification of existing equipment to reduce or eliminate environmental hazards; remediation activities as required; and ongoing waste reduction and recycling programs. Environmental consultants are engaged to advise on current and upcoming regulatory environmental requirements that may be applicable.

Most of the operating companies are involved in the remediation of particular environmental situations such as soil contamination. In almost all cases, these situations occurred prior to Onex' acquisition of those companies. The estimated costs of remedial work and related activities are either provided for under agreement by the vendor of the company or through other provisions established at the time of acquisition. Manufacturing activities have the inherent risk that changing environmental regulations may identify additional situations requiring capital expenditures or remedial work, and associated costs to meet those regulations.

Management's Responsibility for Financial Statements

The accompanying consolidated financial statements have been prepared by management and approved by the Board of Directors of the Company. Management is responsible for the information and representations contained in these financial statements and in other sections of this Annual Report.

The Company maintains appropriate processes to ensure that relevant and reliable financial information is produced. The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada. The significant accounting policies which management believes are appropriate for the Company are described in note 1 to the consolidated financial statements.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements and overseeing management's performance of its financial reporting responsibilities. An Audit Committee of three non-management Directors is appointed by the Board.

The Audit Committee reviews the consolidated financial statements, adequacy of internal controls, audit process and financial reporting with management and with the external auditors. The Audit Committee reports to the Directors prior to the approval of the audited consolidated financial statements for publication.

PricewaterhouseCoopers LLP, the Company's external auditors, who are appointed by the holders of Subordinate Voting Shares, audited the consolidated financial statements in accordance with Canadian generally accepted auditing standards to enable them to express to the shareholders their opinion on the consolidated financial statements. Their report is set out on the following page.

Ewout R. Heersink
Chief Financial Officer
February 15, 2001

Donald W. Lewtas
Vice President

Auditors' Report

To the Shareholders of Onex Corporation:

We have audited the consolidated balance sheets of Onex Corporation as at December 31, 2000 and 1999 and the consolidated statements of earnings, shareholders' equity and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2000 and 1999 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants
Toronto, Canada
February 15, 2001

Consolidated Balance Sheets

As at December 31 *(in millions of dollars)*	2000	1999
Assets		
Current assets		
Cash and short-term investments	$ 2,229	$ 1,023
Accounts receivable	4,071	2,319
Inventories (note 4)	3,036	1,409
Other current assets	718	489
	10,054	5,240
Capital assets (note 5)	3,267	2,159
Investments and other assets (note 6)	1,221	861
Goodwill and intangible assets (note 7)	5,177	4,153
	$ 19,719	$ 12,413
Liabilities and Shareholders' Equity		
Current liabilities		
Bank indebtedness. Without recourse to Onex	$ 48	$ 34
Accounts payable and accrued liabilities	5,395	3,109
Current portion of long-term debt and obligations under capital leases of subsidiaries. Without recourse to Onex	400	173
	5,843	3,316
Long-term debt of subsidiaries. Without recourse to Onex (note 8)	4,864	4,111
Obligations under capital leases. Without recourse to Onex (note 9)	98	82
Exchangeable debentures (note 10)	746	–
Future income taxes (note 16)	481	411
Other liabilities	583	405
	12,615	8,325
Non-controlling interests	5,673	2,810
Shareholders' equity	1,431	1,278
	$ 19,719	$ 12,413

Commitments and contingencies are reported in notes 9 and 20.

Signed on behalf of the Board of Directors

Director

A.C. Shortland

Director

Consolidated Statements of Earnings

Year ended December 31 *(in millions of dollars)*	2000	1999
Revenues	$ 24,531	$ 14,869
Earnings Before the Undernoted Items	$ 1,612	$ 1,025
Amortization of capital assets	(458)	(266)
Amortization of goodwill, intangible assets and deferred charges	(322)	(206)
Interest expense of operating companies (note 12)	(506)	(320)
Interest and other income	134	62
Gains on shares of operating companies, net (note 3)	252	514
	712	809
Acquisition, integration and other expenses (note 13)	(43)	(60)
Debt prepayment costs (note 14)	(3)	(19)
Writedown of goodwill and intangible assets by operating companies (note 15)	(22)	(33)
Earnings before income taxes and non-controlling interests	644	697
Provision for income taxes (note 16)	(197)	(272)
Earnings before non-controlling interests	447	425
Non-controlling interests in results of operating companies	(259)	(131)
Net Earnings for the Year	$ 188	$ 294

Earnings per Subordinate Voting Share are reported in note 17.

Consolidated Statements of Shareholders' Equity

(in millions of dollars except per share data)	Share Capital (note 11)	Retained Earnings (note 11)	Cumulative Translation Adjustment	Total Shareholders' Equity
Balance – December 31, 1998	$ 668	$ 330	$ 60	$ 1,058
Dividends declared	–	(18)	–	(18)
Issue of shares – dividend reinvestment plan	1	–	–	1
Stock options surrendered or exercised	–	(4)	–	(4)
Currency translation adjustment	–	–	(53)	(53)
Net earnings for the year	–	294	–	294
Balance – December 31, 1999	**669**	**602**	**7**	**1,278**
Changes in accounting policies[a]	**–**	**(9)**	**–**	**(9)**
Dividends declared	**–**	**(18)**	**–**	**(18)**
Issue of shares – dividend reinvestment plan	**3**	**–**	**–**	**3**
Stock options surrendered or exercised	**–**	**(7)**	**–**	**(7)**
Purchase and cancellation of shares	**(7)**	**(28)**	**–**	**(35)**
Currency translation adjustment	**–**	**–**	**31**	**31**
Net earnings for the year	**–**	**188**	**–**	**188**
Balance – December 31, 2000	**$ 665**	**$ 728**	**$ 38**	**$ 1,431**

(a) Adoption of the new *CICA Handbook* sections for "Income Taxes" (note 16) and "Employee Future Benefits" (note 21) that became effective January 1, 2000.

Dividends declared per Subordinate Voting Share are $0.11 (1999 – $0.11) after giving effect to the two-for-one stock splits on June 1, 2000 and June 1, 1999 on a retroactive basis.

Consolidated Statements of Cash Flows

Year ended December 31 *(in millions of dollars)*	2000	1999
Operating Activities		
Net earnings	$ 188	$ 294
Items not affecting cash:		
Amortization of capital assets	458	266
Amortization of goodwill and intangible assets	314	195
Amortization of deferred charges	8	11
Writedown of goodwill and intangible assets by operating companies	22	33
Non-controlling interests in results of operating companies	259	131
Future income taxes	(22)	116
Gains on shares of operating companies, net (note 3)	(252)	(514)
Other	(44)	7
	931	539
Decrease in other liabilities	(30)	(80)
Increase in non-cash net working capital related to operations	(898)	(422)
	3	37
Financing Activities		
Issuance of long-term debt	3,214	2,634
Repayment of long-term debt	(2,418)	(1,314)
Issuance of exchangeable debentures (note 10)	729	–
Dividends paid by subsidiaries	(20)	(16)
Cash dividends paid	(15)	(17)
Repurchase of share capital, net	(35)	–
Issuance of share capital by subsidiaries	2,856	1,302
Decrease in other financing activities	–	(23)
	4,311	2,566
Investing Activities		
Acquisition of operating companies, net of cash in acquired companies of $236 (1999 – $62) (note 2)	(2,243)	(1,954)
Purchase of capital assets	(903)	(585)
Proceeds from sales of shares of operating companies	64	532
Net increase in investments and other assets	(26)	(139)
	(3,108)	(2,146)
Increase in Cash and Short-term Investments for the Year	1,206	457
Cash and short-term investments – beginning of the year	1,023	566
Cash and Short-term Investments – End of the Year	$ 2,229	$ 1,023

The increase in cash and short-term investments is after a $41 unrealized foreign exchange gain on cash equivalents in 2000 and a $30 unrealized foreign exchange loss in 1999.

Notes to Consolidated Financial Statements

(in millions of dollars except per share data)

Onex Corporation ("Onex" or the "Company") is a diversified company whose subsidiaries operate as autonomous businesses. The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada.

1. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

The consolidated financial statements include the accounts of the Company, all its subsidiaries, the indirect interest in Onex Food Services, Inc. (Sky Chefs, including Caterair), and the equity interest in investee companies over which the Company exercises significant influence.

The principal operating companies and the Company's ownership and voting interests for consolidated entities are as follows:

	December 31, 2000		December 31, 1999	
	Ownership	Voting	Ownership	Voting
Celestica	20%	86%	22%	87%
Sky Chefs (including Caterair)	47%	54%	47%	54%
ClientLogic	70%	87%	81%	100%
Dura Automotive	8%	70%	8%	70%
J.L. French Automotive Castings	37%	81%	45%	88%
Performance Logistics Group	49%	100%	62%	100%
Commercial Vehicle Systems	45%	100%	–	–
Performance Marketing Global	62%	100%	–	–
Bostrom	52%	100%	–	–
MAGNATRAX	53%	80%	55%	75%
Lantic Sugar	61%	75%	61%	75%
InsLogic	49%	63%	–	–
ONCAP	25%	100%	–	–
Vencap	99%	100%	99%	100%

The ownership percentages are before the effect of any potential dilution relating to the Management Investment Plan as described in note 20.

The above percentages for Celestica exclude the dilutive effect of the exchangeable debentures and forward agreements as described in notes 10 and 18, the effect of which would reduce the above ownership and voting percentages to 15% and 80%, respectively.

The voting interest includes shares which Onex has the right to vote through contractual arrangements or through multiple voting rights attached to particular shares. In certain circumstances, the voting arrangements only give Onex the right to elect the majority of the Board of Directors.

In addition to the above, Onex exercises significant influence over, but does not control, Trim Systems, Inc. and Cypress Holdings, Inc. These companies are accounted for by the equity method.

Other investments are accounted for at cost unless it is determined by management that a permanent impairment in value has occurred, at which point a provision is recorded.

SIGNIFICANT ACCOUNTING POLICIES

Cash and short-term investments

Cash and short-term investments consist of liquid investments such as term deposits, money market instruments, and commercial paper carried at the lower of cost or quoted market value.

Inventories

Inventories are recorded at the lower of cost and replacement cost for raw materials, and at the lower of cost and net realizable value for work in process and finished goods. For substantially all inventories, cost is determined on a first-in, first-out basis. In the normal course of business, an operating company subsidiary enters into commodities futures contracts and options on futures markets for the purpose of hedging its inventory and related purchase and sale commitments. These futures contracts and options are accounted for as hedges and, accordingly, all hedging gains and losses on inventories and sales contracts are recognized in cost of sales as part of the product cost.

Capital assets

Capital assets are recorded at cost less accumulated amortization. Amortization is provided for on a straight-line basis over the estimated useful lives of the assets: 10 to 40 years for buildings, and up to 35 years for machinery and equipment. The cost of plant and equipment is reduced by applicable investment tax credits.

Leasehold improvements are amortized over the terms of the leases.

Leases that transfer substantially all the risks and benefits of ownership are recorded as capital leases. Buildings and equipment under capital leases are amortized over the shorter of the term of the lease or the estimated useful life of the asset. Amortization of assets under capital leases is on a straight-line basis.

Foreign currency translation

The Company's operations conducted in foreign currencies, other than those operations which are associated with investment-holding subsidiaries, are considered to be self-sustaining operations. Assets and liabilities of self-sustaining operations conducted in foreign currencies are translated into Canadian dollars at the exchange rate in effect at the balance sheet date. Revenues and expenses are translated at average exchange rates for the year. Unrealized gains or losses on translation of self-sustaining operations conducted in foreign currencies are shown as a separate component of shareholders' equity. The operating subsidiaries enter into forward foreign exchange contracts to hedge certain firm purchase or sale commitments. Gains or losses on hedges of firm commitments are included in the basis of the hedged transactions when they occur.

Income taxes

Commencing January 1, 2000, the Company adopted Section 3465 of the *Canadian Institute of Chartered Accountants* ("CICA") *Handbook*, "Income Taxes", to account for income taxes using the asset and liability method of income tax allocation. Under this new method, assets and liabilities are recorded for the future income tax consequences attributable to differences between the financial statement carrying values of assets and liabilities and their respective income tax bases. These future income tax assets and liabilities are recorded using substantively enacted income tax rates. The effect of a change in income tax rates on these future income tax assets or liabilities is included in income in the period in which the change occurs. Previously, the deferral method of income tax allocation was used.

Pension and non-pension post-retirement benefits

Commencing January 1, 2000, the Company adopted Section 3461 of the *CICA Handbook*, "Employee Future Benefits", which resulted in all employee benefit costs being accrued when incurred, whereas previously certain expenses were recorded as paid.

The operating subsidiary companies accrue their obligations under employee benefit plans and related costs, net of plan assets. The costs of pensions and other retirement benefits earned by employees are accrued in the period incurred and are actuarially determined based on management's best estimates of items, including expected plan investment performance, salary escalation, retirement ages of employees and expected health care costs. The discount rate used to calculate the interest cost on the accrued benefit obligation is the long-term rate at the balance sheet date. Plan assets are valued at fair market value for the purposes of calculating expected return on those assets. Past service costs from plan amendments are amortized over the average remaining service period of employees active at the date of amendment.

Goodwill and intangible assets

Goodwill represents the cost of investments in subsidiaries in excess of the fair value of the net identifiable assets acquired. Goodwill is amortized using the straight-line method over the estimated periods of related benefit, which range from five to 40 years. The weighted average period of amortization at December 31, 2000 was approximately 34 years (1999 – 33 years).

Intangible assets, including intellectual property, are recorded at their allocated cost at the date of acquisition of the related operating companies. Amortization is provided for all intangible assets, including intellectual property, on a straight-line basis over their estimated useful lives, ranging from five to 25 years. The weighted average period of amortization at December 31, 2000 was approximately nine years (1999 – 12 years).

The recoverability of goodwill and intangible assets is assessed annually. An impairment in the value of these assets is recognized if estimated future cash flows generated by acquired businesses are determined to be insufficient to recover goodwill or intangible assets.

Exchangeable debentures

The carrying amount of the Company's exchangeable debentures is based on the market price, at the balance sheet date, of the underlying Celestica shares that would have satisfied the debenture liability if the debentures had been exchanged or Onex had elected to settle with shares on December 31, 2000.

Each issue of exchangeable debentures is exchangeable for Celestica shares based on a fixed conversion factor determined at the date the debentures were issued or, at the option of the Company, it may deliver the cash equivalent based on the market price of the shares at the time of exchange, or a combination of shares and cash.

As it is contemplated that the underlying Celestica shares will be transferred by Onex to the exchangeable debenture holders to satisfy the entire liability, hedge accounting is used. Accordingly, the difference between the carrying amount (market value) and the original issue amount of the exchangeable debentures is recorded as a deferred amount until such time as there is a redemption or maturity of the exchangeable debentures, when a realized gain or loss on the exchange will be recorded.

Deferred charges

Costs incurred by the operating subsidiary companies relating to the issuance of debt are deferred and amortized over the term of the related debt or as the debt is retired. Other capitalized items, such as pensions and direct incremental expenses incurred on business acquisitions, are amortized over various periods reflecting their estimated useful lives.

Other liabilities

Other liabilities include the non-current portion of pension liabilities and other compensation benefits as well as accrued transition, integration and termination costs, primarily related to acquisitions. In addition, certain planned restructuring and integration costs related to acquisitions are recognized in the purchase price allocations.

Earnings per share

Basic earnings per share has been calculated based on the weighted average number of outstanding shares during the year. Fully diluted earnings per share is calculated using an imputed earnings approach.

Use of estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in Canada requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Comparative amounts

Certain amounts presented in the prior year have been reclassified to conform to the presentation adopted in the current year.

2. CORPORATE INVESTMENTS

During 2000 and 1999 several acquisitions, which were accounted for as purchases, were completed either directly by Onex, by subsidiaries of Onex or through one of the operating companies. Any third-party borrowings in respect of acquisitions are without recourse to Onex.

2000 ACQUISITIONS

a) Celestica

During 2000 Celestica completed acquisitions that broadened its international operations, range of services and relationships with key customers. Celestica furthered its supply relationship with IBM through the February 2000 purchase of IBM's electronic card assembly operation in Minnesota, United States and the May 2000 purchase of IBM's printed circuit board and system assembly operations in Italy. In June 2000 Celestica acquired from NEC the shares of NDB Industrial Ltda., an NEC communications network equipment manufacturing operation in Brazil. In August 2000 Celestica acquired all of the shares of Bull Electronics, Inc., a contract manufacturer located in Massachusetts, United States. In November 2000 Celestica acquired all of the shares of NEC Technologies (UK) Ltd., a cellular phone handset manufacturing facility headquartered in the United Kingdom. The aggregate purchase price of $950 for these acquisitions was funded with cash on hand at Celestica.

b) Sky Chefs

During 2000 Sky Chefs completed a number of acquisitions through an affiliated company that expanded its home meal replacement business. In January 2000 Orval Kent Holding Company, Inc. ("Orval Kent") was purchased. Located in Illinois, United States, Orval Kent is a national provider of refrigerated prepared foods. LBI Holdings, Inc. ("Pennant Foods"), a manufacturer and distributor of bakery products headquartered in Illinois, United States was purchased in September 2000. In December 2000 La Francaise Bakery,

Inc. ("La Francaise") was acquired. La Francaise produces premium quality bakery products and is located in Illinois, United States. The aggregate purchase price for these acquisitions of $353 was funded with borrowings under Sky Chefs' credit facilities.

c) ClientLogic

In October 2000 ClientLogic acquired all of the common shares of ACS TeleServices, Inc. ("ACS"). Located in North Carolina, United States, ACS is a provider of integrated customer relationship management services. The total purchase price of $33 was financed through the issuance of common shares of ClientLogic, valued at a total of $30, and $3 of cash. Onex retains voting control of ClientLogic.

d) MAGNATRAX

In March 2000 MAGNATRAX Corporation ("MAGNATRAX") acquired all of the outstanding common shares of Jannock Limited ("Jannock"), headquartered in Ontario, Canada. Jannock manufactures and distributes metal building systems and products for the North American construction market. The total purchase price of $635 was financed with $274 of third-party borrowings, without recourse to Onex, $147 from third-party equity investors and $214 of equity issued by MAGNATRAX, of which Onex invested $71. Onex retains voting control of MAGNATRAX.

e) Dura Automotive

In January 2000 Dura Automotive purchased the jack division of Ausco Products, Inc. ("Ausco"), located in Michigan, United States. Ausco produces automotive jacks primarily for North American automotive original equipment manufacturers ("OEMs"). Dura Automotive acquired Reiche GmbH & Co. KG Automotive Components in November 2000. The company is a manufacturer of steering columns for European and North American OEMs. The aggregate purchase price for these acquisitions was $32, which was financed by borrowings under Dura Automotive's existing credit facilities.

f) J.L. French

In March 2000 J.L. French Automotive Castings, Inc. ("J.L. French") acquired Shoreline Industries, Inc., a manufacturer of high-pressure aluminum die-cast components principally for the automotive industry located in Michigan, United States. The total purchase price of $9 was financed with cash resources from J.L. French.

g) Performance Logistics Group

In May 2000 Performance Logistics Group, Inc. ("PLG") acquired E. and L. Transport Company LLC ("E&L"). E&L, headquartered in Michigan, United States, transports automobiles and light trucks from manufacturing facilities to automobile dealerships in the midwestern United States. The total purchase price of $134 was financed with $104 of third-party borrowings, without recourse to Onex, and $30 raised through the issuance of shares of PLG. Onex invested $13 in the equity of PLG as part of the share offering. Onex retains voting control of PLG.

h) Commercial Vehicle Systems

In March 2000 Onex completed the acquisition of Commercial Vehicle Systems, Inc. ("CVS"), headquartered in North Carolina, United States. CVS is a leading manufacturer and supplier of wiper, mirror and control systems for the North American medium- and heavy-duty commercial vehicle markets. The total purchase price of $125 was financed with $86 of third-party borrowings, without recourse to Onex, and $39 raised through the issuance of equity of CVS. Onex invested $17 in the equity for a 45% ownership interest. Onex has voting control of CVS.

i) Bostrom

In October 2000 Onex acquired Bostrom plc ("Bostrom"), a manufacturer of seats for the heavy truck, construction and agricultural vehicle markets. The total purchase price for the United Kingdom-based company was $123, financed with $72 of third-party borrowings, without recourse to Onex, and $51 raised through the issuance of equity in Bostrom. Onex invested $26 in the equity for a 52% equity ownership. Onex has voting control of Bostrom.

j) ONCAP

ONCAP is a partnership formed by Onex to invest in small-capitalization North America-based companies. The Company has a 25% interest in ONCAP; however, Onex has effective control of the partnership. During the year, the Company invested $8 in ONCAP.

In January 2000 ONCAP made an investment in EnSource Industries Inc. ("EnSource"). EnSource, headquartered in Alberta, Canada, is a provider of engineered oil and gas processing equipment as well as an electrical and

instrumentation contractor. In November 2000 EnSource completed a reverse takeover of Enhanced Energy Services Ltd. ("Enhanced"), a Canadian public company trading on the Canadian Venture Exchange and headquartered in Alberta, Canada. Enhanced is a provider of specialized equipment for natural gas producers. The aggregate purchase price of $55 for these acquisitions was funded with cash on hand at ONCAP and with $42 from third-party equity investors.

k) The results of operations for all acquisitions are included in the consolidated earnings of the Company from their respective dates of acquisition. Certain acquisitions completed in 2000 have provisions whereby the sellers may receive additional consideration if the acquired companies achieve performance targets. Contingent consideration would be recorded as an adjustment to the purchase price if and when paid.

The cost of acquisitions made during the year includes restructuring and integration costs of $37. As at December 31, 2000, accounts payable and accrued liabilities include $21 in respect of these and earlier acquisitions.

Details of the 2000 acquisitions, which are all accounted for as purchases, are as follows:

2000 Acquisitions

	Celestica[a]	Sky Chefs[b]	ClientLogic[c]	MAGNATRAX[d]	Dura Automotive[e]	J.L. French[f]	PLG[g]	CVS[h]	Bostrom[i]	ONCAP[j]
Identifiable assets acquired	$ 1,035	$ 206	$ 33	$ 495	$ 49	$ 5	$ 83	$ 58	$ 102	$ 91
Goodwill	188	268	1	292	41	5	75	92	74	27
	1,223	474	34	787	90	10	158	150	176	118
Debt assumed	–	–	–	–	(6)	–	–	–	(10)	(13)
Acquisition financing	–	–	–	(274)	–	–	(104)	(86)	(72)	–
Other liabilities	(273)	(121)	(1)	(152)	(52)	(1)	(24)	(25)	(43)	(50)
	950	353	33	361	32	9	30	39	51	55
Non-controlling interests in net assets	–	–	(30)	(147)	–	–	–	–	–	(42)
Interest in net assets acquired	$ 950	$ 353	$ 3	$ 214	$ 32	$ 9	$ 30	$ 39	$ 51	$ 13
Goodwill amortization period (in years)	10	25	5	40	40	40	40	40	40	20

In addition, certain interests in Celestica held by management under the terms of the Management Investment Plan were effectively purchased at market value of $60, increasing Onex' ownership from 19% to 20%.

1999 ACQUISITIONS

a) Celestica

During 1999 Celestica completed a number of acquisitions that expanded Celestica's service offerings and geographic scope of operations and furthered customer relationships. In April 1999 Celestica acquired 100% of the issued and outstanding shares of Signar SRO from Gossen-Metrawatt GmbH, based in the Czech Republic. This established an important manufacturing presence for Celestica in Central Europe. In September 1999 Celestica acquired 100% of the issued and outstanding shares of VXI Electronics, Inc. in Oregon, United States, a leader in the design and manufacture of power conversion products. In October 1999 Celestica acquired certain assets of a manufacturing facility in Massachusetts, United States from the Hewlett-Packard Company, providing production capabilities in the medical equipment market segment. In December 1999 the company acquired 100% of the issued and outstanding shares of EPS Wireless Inc. from Preferred Networks, Inc. as well as certain assets of a repair facility from International Computers Limited, both in Texas, United States.

The aggregate purchase price of $96 for these acquisitions was funded with cash on hand at Celestica.

b) Sky Chefs

In May 1999 Sky Chefs purchased an airline catering business in Brazil for $4. The purchase price was funded through Sky Chefs' existing credit facilities.

c) ClientLogic

ClientLogic completed four acquisitions in 1999. LCS Industries, Inc. ("LCS"), headquartered in New Jersey, United States, was acquired in January 1999. LCS is a provider of marketing services, including e-mail and mailing lists, order and payment processing, fulfillment and continuity programs. In October 1999 Cordena Call Management BV and Groupe Adverbe International SA, located in the Netherlands and France respectively, were purchased. The companies operate telephone and Internet customer contact centres in continental Europe and fulfillment centres in England and the Netherlands. In December 1999 ClientLogic purchased Colorado, United States-based MarketVision, Inc., a creator of customer relationship management software systems for technology and web-based companies.

The cost of these purchases totalled $190, financed with $114 of ClientLogic's cash resources, borrowings of $60, without recourse to Onex, and the issuance of $16 in ClientLogic shares to vendors, which reduced the Company's ownership from 83% to 81%.

d) Dura Automotive

Dura Automotive completed four acquisitions in 1999. Adwest Automotive PLC ("Adwest"), a supplier of driver control products primarily for European automotive OEMs, and Excel Industries, Inc. ("Excel"), a leading supplier of window, door and seating systems for the global automotive market, were purchased in March 1999. Metallifacture Limited, a manufacturer of jacks and tire carriers for the European automotive industry, was acquired in July 1999. In November 1999 Dura Automotive also acquired the seat track manufacturing business of Meritor Automotive Inc.

The total purchase price of these businesses was $1,081. These purchases were financed with Dura Automotive's cash resources of $832 and through the issuance of $249 in shares of Dura Automotive to vendors.

e) J.L. French

In April 1999 Onex acquired a controlling interest in J.L. French, a leading designer and manufacturer of highly engineered aluminum die-cast automotive parts headquartered in Wisconsin, United States. The total purchase price of this acquisition was financed with $257 of equity, which included $25 from existing minority shareholders. Onex invested $134 for a 45% equity ownership. Onex retained voting control.

In August 1999 J.L. French acquired the assets of Inyecta Alum SA de CV, a Mexican manufacturer of aluminum die-castings for automotive OEMs. In October 1999 J.L. French acquired all of the outstanding stock of Nelson Metal Products Corporation ("Nelson"). Nelson is a full-service manufacturer of medium-sized and large aluminum die-castings for the automotive industry, with manufacturing facilities in Michigan and Kentucky, United States. The total purchase price of these acquisitions was $281. These purchases were financed with $37 of J.L. French's cash resources, $192 of third-party borrowings, without recourse to Onex, and the issuance of $52 in shares of J.L. French.

f) Performance Logistics Group

In December 1999 Onex acquired a 62% controlling interest in PLG, based in California, United States. PLG provides specialized design, engineering customization and delivery services to automotive OEMs.

The total purchase price of $29 was financed with $19 of cash resources and the issuance of $10 in shares of PLG.

g) MAGNATRAX

In May 1999 Onex completed the acquisition of American Buildings Company, headquartered in Alabama, United States. Subsequently, the name of the parent company was changed to MAGNATRAX. This acquisition was Onex' initial entry into the engineered building products industry. The company is a North American manufacturer and marketer of metal buildings, roofing and door systems. The total purchase price of this acquisition was $297. Onex invested $90 of the total equity of $149 for a 55% equity ownership. The balance of the financing, $148, was provided by third-party borrowings by MAGNATRAX, without recourse to Onex.

In September 1999 MAGNATRAX purchased the assets of the Republic Builders Products division ("Republic") of Desco Corporation, located in Tennessee, United States.

Republic engages primarily in the manufacturing of steel doors and assemblies for commercial and industrial applications. The total purchase price of this business was $71. This purchase was financed with $15 of MAGNATRAX cash resources, $37 of third-party borrowings, without recourse to Onex, and a $19 issuance of MAGNATRAX shares.

Details of the 1999 acquisitions, which are all accounted for as purchases, are as follows:

1999 Acquisitions

	Celestica[a]	Sky Chefs[b]	ClientLogic[c]	Dura Automotive[d]	J.L. French[e]	PLG[f]	MAGNATRAX[g]
Identifiable assets acquired	$ 91	$ 4	$ 136	$ 1,395	$ 610	$ 19	$ 315
Goodwill	48	–	148	988	825	90	307
	139	4	284	2,383	1,435	109	622
Debt assumed	(12)	–	(31)	(306)	(693)	(66)	(128)
Acquisition financing	–	–	(60)	–	(192)	–	(185)
Other liabilities	(31)	–	(63)	(996)	(205)	(14)	(127)
	96	4	130	1,081	345	29	182
Non-controlling interests in net assets	–	–	(16)	(249)	(174)	(10)	(78)
Interest in net assets acquired	$ 96	$ 4	$ 114	$ 832	$ 171	$ 19	$ 104
Goodwill amortization period (in years)	10	25	5	40	40	40	40

3. GAINS ON SHARES OF OPERATING COMPANIES, NET

During 2000 and 1999 Onex completed a number of unrelated transactions by selling or taking public all or a portion of its ownership interests in certain companies. The major transactions and the resulting pre-tax gains are summarized and described as follows:

	2000	1999
Gain on:		
Issue of shares by Celestica[a]	$ 158	$ 158
Sale of interest in Sky Chefs[b]	43	279
Issue of shares by ClientLogic[c]	112	–
Sale of shares in Purolator Courier[d]	–	43
Transfer of certain European operations by Sky Chefs[e]	–	28
Issue and sale of Dura Automotive shares[f]	–	4
Sale of non-operating investments[g]	21	–
Provisions on value of non-controlled entities[h]	(82)	(21)
	252	491
Gain on sale of investments by Vencap[i]	–	23
	$ 252	$ 514

a) In March 2000 Celestica issued 16,600,000 subordinate voting shares from treasury to the public for net proceeds of $1,060. Onex recorded an accounting dilution gain of $158 as a result of the increase in book value of Onex' portion of the net asset value of Celestica resulting from its offering. While Onex did not sell or purchase any shares of Celestica in this offering, Onex' ownership interest in Celestica was diluted from 22% to 19% as a result of the additional shares issued. Onex retains voting control of Celestica.

In March 1999 Celestica issued 18,400,000 subordinate voting shares to the public for net proceeds of $380. Onex recorded an accounting dilution gain of $51 as a result of the offering. In November 1999 Celestica issued a further 16,100,000 subordinate voting shares to the public for net proceeds of $689. This transaction resulted in a further $107 accounting dilution gain. While Onex did not sell or purchase any shares of Celestica in these offerings, Onex' ownership interest in Celestica was diluted from 27% to 22%.

b) In May 1999 Onex sold an additional ownership interest in Sky Chefs to LSG Lufthansa Service ("LSG") for cash proceeds of approximately $300, resulting in a gain of $279. Onex' ownership interest in Sky Chefs was reduced to 47% from 61%, with the result that Onex and LSG have equal ownership interests in Sky Chefs. Onex, however, retained voting control.

In May 2000, pursuant to the sale agreement, Onex received an additional payment of $43 as a result of Sky Chefs achieving earnings-related targets for 1999. Onex expects to receive a further payment of approximately $45 in early 2001 based on Sky Chefs achieving earnings-related targets for 2000. Any further proceeds will be recognized as income when received.

In the fourth quarter of 2000, pursuant to the 1999 sale agreement, LSG indicated that it would exercise its right to acquire Onex' remaining interest in Sky Chefs. Subject to customary regulatory approvals, the transaction is expected to close during the first quarter of 2002. Under the terms of the agreement, the value of Sky Chefs is to be based on a multiple of operating earnings, as defined, less net debt. However, the equity value for 100% of the company will not be less than approximately US$1,400.

c) In August 2000 ClientLogic issued 13,125,000 common shares for net proceeds of $149, of which Onex invested $34. Onex recorded an accounting dilution gain of $95 as a result of the increase in book value of Onex' share of the net asset value of ClientLogic arising from the offering. In October 2000 ClientLogic issued a further 2,500,000 common shares, valued at $30, for the acquisition of ACS. This transaction resulted in a further $17 accounting dilution gain being recorded by Onex. Onex' ownership interest in ClientLogic was diluted from 81% to 70% as a result of these shares being issued. Onex retained voting control of ClientLogic.

d) In January 1999 Onex completed the sale of its remaining interest in Purolator Courier to Canada Post Corporation for net cash proceeds of $52, recording a gain of $43.

e) In October 1999 Sky Chefs and LSG Holding AG ("LSG Holding") established an equally-owned company to hold 100% of Sky Chefs' French, Spanish, Russian and United Kingdom subsidiaries and joint ventures. LSG Holding contributed $72 to the new entity for its 50% interest, with LSG Holding obtaining effective control of the entity.

The funds were used to repay loans and other inter-company amounts owing to Sky Chefs. The transfer of the European operations to this entity was effective as of January 1, 1999, with the operations of the entity accounted for on an equity basis for 1999. Sky Chefs recorded a gain of $28 as a result of the transaction.

f) In March 1999 Dura Automotive issued 4,880,034 shares as part of the consideration in the acquisition of Excel. This issuance of equity reduced Onex' ownership in Dura Automotive from 11% to approximately 8%, with Onex recording an accounting dilution gain of $4 as a result of the increase in book value of Onex' portion of the net asset value of Dura Automotive resulting from the offering. Onex retained voting control of Dura Automotive.

g) In 2000 Onex sold its interest in various non-controlled entities for proceeds of $21 (1999 – $140), recording a net gain of $21 (1999 – nil).

h) During 2000 and 1999 Onex established certain provisions against the carrying value of a number of non-controlled entities to reflect changes in the condition of these assets that the Company deemed permanent.

i) During 1999 Vencap sold certain of its ownership interests in investments for total proceeds of $40 and recorded gains of $23.

4. INVENTORIES

Inventories comprised the following at December 31, 2000 and 1999:

	2000	1999
Raw materials	$ 2,241	$ 952
Work in process	425	216
Finished goods	370	241
	$ 3,036	$ 1,409

5. CAPITAL ASSETS

Capital assets at cost comprised the following at December 31, 2000 and 1999:

	2000			1999		
	Cost	Accumulated Amortization	Net	Cost	Accumulated Amortization	Net
Land and buildings	$ 1,249	$ 247	$ 1,002	$ 744	$ 189	$ 555
Machinery and equipment	3,008	943	2,065	1,912	534	1,378
Construction in progress	200	–	200	226	–	226
	$ 4,457	$ 1,190	$ 3,267	$ 2,882	$ 723	$ 2,159

The above amounts include capital assets under capital leases of $156 (1999 – $90) and accumulated amortization of $62 (1999 – $47) related thereto.

6. INVESTMENTS AND OTHER ASSETS

Investments and other assets comprised the following at December 31, 2000 and 1999:

	2000	1999
Investments:		
Private entities – at cost[a]	$ 223	$ 250
Public entities – at cost[b]	25	27
Marketable securities – at market values[c]	84	71
Equity-accounted companies[d]	30	31
Deferred charges:		
Debt issuance costs	105	107
Exchangeable debentures (note 10)	17	–
Other[e]	144	145
Future income taxes	379	164
Commodity tax recoverable by operating company	117	–
Other	97	66
	$ 1,221	$ 861

a) The market value of private entities, which includes Gramercy Communications Partners, is not readily determinable with sufficient reliability.

b) The market value of the public entities as at December 31, 2000 was $33 (1999 – $40).

c) Included in marketable securities is a $63 (1999 – $45) investment made by the Company in a fund whose investments involve the purchase of convertible securities and the simultaneous short sale of the shares into which those securities can be converted. This net investment consists of $880 (1999 – $1,407) in convertible securities and cash offset by $817 (1999 – $1,362) in short sales of these equity securities. All marketable securities have been recorded at quoted year end market values.

d) These companies include Trim Systems, Inc. and Cypress Holdings, Inc.

e) The other deferred charges include pension costs and certain acquisition costs.

7. GOODWILL AND INTANGIBLE ASSETS

Goodwill and intangible assets comprised the following at December 31, 2000 and 1999:

	2000	1999
Goodwill, net of accumulated amortization of $506 (1999 – $277)	$ 4,669	$ 3,888
Intellectual property, net of accumulated amortization of $59 (1999 – $23)	263	59
Intangible assets, net of accumulated amortization of $114 (1999 – $89)	245	206
	$ 5,177	$ 4,153

Intellectual property primarily represents the costs of certain non-patented intellectual property and process know-how obtained in acquisitions.

Intangible assets represent the excess of cost over the fair value of tangible assets acquired in certain facilities acquisitions. These include trademarks, non-competition agreements and contract rights.

8. LONG-TERM DEBT OF SUBSIDIARIES, WITHOUT RECOURSE TO ONEX

Long-term debt of subsidiaries, without recourse to Onex, at December 31, 2000 and 1999 is as follows:

		2000	1999
Celestica[a] (repayable in US dollars)	10.5% senior subordinated notes due 2006	$ 195	$ 188
Sky Chefs[b] (repayable in US dollars unless otherwise noted)	Revolving credit facilities	85	–
	Term loans due 2001 to 2007	270	262
	9.25% senior subordinated notes due 2007	450	433
	New credit facility due 2007	277	–
	Other, including debt denominated in foreign currencies	12	7
		1,094	702
ClientLogic[c] (repayable in US dollars unless otherwise noted)	Revolving credit facilities	103	34
	Term loan	–	87
	Other, including debt denominated in foreign currencies	10	26
		113	147
Dura Automotive[d] (repayable in US dollars unless otherwise noted)	Revolving credit facilities and term loans due 2005 and 2006	1,198	1,096
	9.0% senior subordinated notes due 2009	591	579
	Mandatory redeemable convertible trust preferred securities	83	80
	Other, including debt denominated in foreign currencies	35	84
		1,907	1,839
J.L. French[e] (repayable in US dollars)	Revolving credit facilities and term loans due 2005 and 2006	496	524
	11.5% subordinated notes due 2009	262	253
	8% redeemable shares	51	–
	7.5% convertible subordinated note	–	43
	Other	60	48
		869	868
Performance Logistics Group[f] (repayable in US dollars)	Revolving credit facility due 2006	18	6
	Term loan due 2001 to 2006	97	58
		115	64
Commercial Vehicle Systems[g] (repayable in US dollars)	Revolving credit facilities and term loans due 2005	81	–
Bostrom[h] (repayable in US dollars unless otherwise noted)	Revolving credit facility	15	–
	Term loans due 2001 to 2006	43	–
	Sterling loan notes	14	–
	Other	10	–
		82	–
MAGNATRAX[i] (repayable in US dollars unless otherwise noted)	Revolving credit facilities and term loans due 2001 to 2005	367	289
	Bridge loan due 2001	87	–
	12.5% senior subordinated notes due 2007	84	–
	Other	15	7
		553	296
Lantic Sugar[j] (repayable in Canadian dollars)	Term loans due 2001 to 2005	161	163
InsLogic[k] (repayable in US dollars)	Redeemable shares	40	–
	Other	3	–
		43	–
Other[l] (repayable in US and Canadian dollars)		32	1
		5,245	4,268
Current portion of long-term debt of subsidiary companies		(381)	(157)
Consolidated long-term debt of subsidiary companies, without recourse to Onex		$ 4,864	$ 4,111

The current portion of long-term debt is also without recourse to Onex. Onex does not provide any financial guarantees on behalf of any of its operating subsidiary companies, nor are there any cross-guarantees between operating subsidiary companies.

The financing arrangements for each operating company contain certain restrictive covenants, including limitations or prohibitions on additional indebtedness, payment of cash dividends, redemption of capital, capital spending, making of investments and acquisitions, and the sale of assets. In addition, certain financial covenants must be met by each of the operating companies.

Based on anticipated production levels in the automotive industry and financial projections prepared by the management of Dura Automotive, the company anticipates being out of compliance with one of its debt covenant requirements toward the end of the third quarter of 2001. Management of Dura Automotive has commenced discussions with its lenders with respect to an amendment to the credit agreement and believes it will be successful in obtaining this amendment. However, at this time, there is no assurance that Dura Automotive will be successful in obtaining this amendment. Dura Automotive was in compliance with its covenants as of December 31, 2000. No adjustments to the carrying amount or classification of assets or liabilities of Dura Automotive in the consolidated financial statements have been made with respect to this possible non-compliance. The net book value of the investment in Dura Automotive in the consolidated financial statements is $50.

a) Celestica

Celestica, under the terms of a global unsecured revolving credit facility, has available up to US$250 of borrowings. The available facility bears interest at LIBOR plus a margin and is repayable in July 2003. There were no drawings against this facility during 2000. The weighted average interest rate of the facility during 1999 was 5.8%. There were no outstanding borrowings on this facility at December 31, 2000 and December 31, 1999.

In February 2000 Celestica renewed its second global unsecured revolving credit facility, providing up to an additional US$250 of borrowings including a swing line facility for short-term borrowings. The available facility bears interest at LIBOR plus a margin except on borrowings under the swing line facility, which bear interest at a base rate. The facility is available until April 2003. Other than short-term borrowings under the swing line facility, there were no borrowings on the revolving credit facility during 2000 and 1999.

Celestica's US$130 (1999 – US$130) 10.5% senior subordinated notes are unsecured, subordinated to the payment of all senior debt of the company, and may be redeemed at various premiums above face value from December 31, 2001 onward.

b) Sky Chefs

Sky Chefs and Caterair, under the terms of a credit agreement with a consortium of lenders, have available up to US$435 of borrowings under a senior secured credit facility, consisting of up to an aggregate of US$185 of term loans and up to US$90 of revolving loans. Up to US$160 of the term loan availability is with Caterair International Corporation, which is not consolidated as the company is not controlled by Onex or Sky Chefs. The term borrowings are due from 2001 to 2007. All obligations of Sky Chefs and Caterair International Corporation under the credit agreement are cross-guaranteed by the other. Outstanding borrowings under the credit agreement at December 31, 2000 were US$390 (1999 – US$338), with US$237 (1999 – US$182) drawn by Sky Chefs and US$153 (1999 – US$156) drawn by Caterair International Corporation. In addition, at December 31, 2000, US$12 (1999 – US$14) of the revolving credit facility had been utilized for letters of credit. The weighted average interest rate on the borrowings under the term loans in 2000 was 7.9% (1999 – 7.3%). The credit agreement calls for mandatory prepayments and availability reductions under certain circumstances including the issuance of equity, additional debt, asset disposals and excess cash flow, all as defined in the agreement. The credit agreement is collateralized by a pledge of virtually all the tangible and intangible assets of Sky Chefs.

Sky Chefs' US$300 9.25% senior subordinated notes due in 2007 are guaranteed on a joint and several senior subordinated basis by Sky Chefs. These notes may be redeemed at the option of Sky Chefs commencing September 1, 2002 at various premiums above face value and are subordinated to payment of all senior debt.

In August 2000 Sky Chefs entered into a new credit agreement. Pursuant to the agreement, the company may borrow up to an additional US$300 on an unsecured senior subordinated basis, pari passu with the senior subordinated notes. The loans under this new agreement are guaranteed

on a joint and several unsecured senior subordinated basis, pari passu with the guarantees of the notes by Sky Chefs. These loans bear interest at LIBOR plus 2.5%. At December 31, 2000, US$185 was outstanding under the new credit agreement. The effective interest rate on the borrowings in 2000 under the new credit agreement was 9.1%.

c) ClientLogic

In August 2000 ClientLogic entered into an amended revolving credit agreement for US$170. This replaced a US$40 revolving credit facility and a US$60 term credit facility. The amended and restated agreement, which expires in 2007, provides for borrowings in U.S. dollars, British pounds sterling and/or euros, as selected by the company at the time of the borrowing. The credit facility bears interest at the lender's base rate or LIBOR plus 0.25% to 3.75%, depending on certain financial ratios. At December 31, 2000 there were US$69 (1999 – US$23) in borrowings outstanding at a weighted average interest rate of 10.7% (1999 – 9.3%). Borrowings under this credit facility are collateralized by substantially all of ClientLogic's assets.

In 2000 the company repaid all borrowings under the US$60 term credit facility established in 1999. At December 31, 1999, borrowings of US$60 were outstanding under this facility at an average interest rate of 9.6%.

d) Dura Automotive

Dura Automotive entered into an amended and restated US$1,150 credit agreement in connection with the acquisitions of Adwest and Excel in 1999. The credit agreement provides for revolving credit facilities of US$400, term loans of US$550 and a US$200 interim term loan facility, which was repaid in April 1999. The credit agreement provides for up to US$100 of the borrowings to be in currencies other than U.S. dollars. The balance outstanding on the term loans at December 31, 2000 was US$506 (1999 – US$551). At December 31, 2000, of the US$293 (1999 – US$209) outstanding borrowings on the revolving credit facility, US$71 (1999 – US$29) was in currencies other than U.S. dollars. The weighted average interest rate on the credit facilities and term loans was 8.7% in 2000 (1999 – 7.5%). Borrowings under the credit agreement are collateralized by substantially all of the assets of Dura Automotive.

In April 1999 Dura Automotive completed an offering of US$300 and euro 100 senior subordinated notes, the net proceeds of which were US$394. The notes mature in 2009 and bear interest at 9.0%, payable semi-annually. These notes are collateralized by guarantees from certain of Dura Automotive's subsidiaries.

Dura Automotive had US$55 of 7.5% redeemable convertible trust preferred securities outstanding at December 31, 2000 and 1999. The preferred securities are convertible, at the option of the holder, into Class A common stock of Dura Automotive at a rate equivalent to a conversion price of US$42 7/8 per share. The preferred securities are redeemable, in whole or in part, after March 2001 and must be redeemed before March 2028.

e) J.L. French

J.L. French has a senior credit facility which provides for term loans of up to US$380 and revolving credit up to US$90. Each of these facilities bear interest at LIBOR plus a margin. The term loans are due in 2005 and 2006, while the revolving credit facility is due in 2005. Borrowings outstanding at December 31, 2000 were US$314 (1999 – US$340) on the term loan facility and US$17 (1999 – US$23) on the revolving credit facility. The weighted average interest rate on the total outstanding borrowings was 10.1% (1999 – 9.4%). Borrowings under the senior credit facility are collateralized by substantially all of the assets of J.L. French and its domestic subsidiaries.

In May 1999 J.L. French completed a US$175 offering of 11.5% senior subordinated notes due in 2009. The proceeds were used to retire the interim financing used in the acquisition of the company.

In November 2000 J.L. French issued US$60 of Class P common shares to certain shareholders, of which Onex acquired US$26. The shares are non-voting and accrue dividends at 8% annually. Dividends are payable in cash at the time of redemption of the shares. The Class P common shares are mandatorily redeemable at the time of a sale of J.L. French. In addition, the Class P common shareholders may require J.L. French to redeem the shares at any time after December 31, 2009. These shares have been classified as debt and dividends payable thereon have been included in interest expense.

Concurrent with the issuance of the Class P common shares, the US$30 million 7.5% convertible subordinated note was exchanged for 7,124 Class A-1 common shares of J.L. French.

f) Performance Logistics Group

PLG entered into a US$115 credit agreement in May 2000 in connection with their acquisition of E&L. The agreement provides for a revolving credit facility of US$30 and a term loan of US$85, US$20 of which was repaid in July 2000. Both the revolving credit facility and term loan bear interest at LIBOR plus a margin. The outstanding borrowings on the revolving credit facility were US$12 (1999 – US$5) and on the term loan were US$65 (1999 – US$40). The weighted average interest rates were 9.6% (1999 – 8.8%) on the revolving credit facility and 9.3% (1999 – 9.0%) on the term loan. Beginning September 2001, quarterly repayments are required on borrowings under the term loan. Borrowings under the revolving credit facility are due in May 2006. Borrowings under the credit agreement are collateralized by substantially all of the assets of PLG.

g) Commercial Vehicle Systems

CVS entered into a credit agreement in March 2000 providing for a revolving credit facility of US$23 and term loans of US$48. Both the revolving credit facility and the term loans bear interest at prime or LIBOR plus 2.75%. The outstanding borrowings at December 31, 2000 on the revolving credit facility and term loans were US$9 and US$45, respectively. The weighted average interest rate for both the revolving credit facility and the term loans was 9.4%. Borrowings under the credit agreement are collateralized by substantially all of the assets of CVS.

During 2000 CVS entered into an interest rate swap agreement which effectively converted US$24 of variable rate loans into fixed rate obligations at 9.4%. The interest rate swap agreement expires in March 2003.

h) Bostrom

In September 2000, in connection with its acquisition, Bostrom entered into a US$70 credit agreement. The credit agreement provides for a US$25 revolving credit facility and term loans of US$45. These facilities bear interest at various rates plus a margin, depending on certain financial ratios, and are due in February 2006.

The credit agreement provides the company with the ability to denominate a portion of its borrowings in currencies other than U.S. dollars. At December 31, 2000 total borrowings outstanding on the revolving credit facility were US$10, of which US$4 was denominated in British pounds sterling. At December 31, 2000, of the US$29 borrowings outstanding on the term loan, US$10 was denominated in British pounds sterling. The weighted average interest rates on the revolving credit facility and term loan were 9.5% and 9.6%, respectively. Beginning March 31, 2001, quarterly repayments are required on borrowings under the term loan. Borrowings under the credit agreement are collateralized by the assets of Bostrom.

In conjunction with the acquisition of Bostrom, US$9 in British pounds sterling loan notes were issued in exchange for certain shares of the company. The notes bear interest at LIBOR and are due December 31, 2004. Beginning December 31, 2001, the notes are redeemable, semi-annually, at the option of the noteholder.

i) MAGNATRAX

MAGNATRAX has a credit facility that includes term loans totalling US$245 (1999 – US$205), revolving borrowings of up to US$55 (1999 – US$30) and a Canadian-dollar-denominated asset sale bridge loan of US$58. The term loans and revolving credit facilities include both Canadian and U.S.-dollar-denominated loans. The U.S.-dollar-denominated loans bear interest at the Eurodollar rate plus a margin, depending on a defined leverage ratio, require quarterly repayments and are due November 2005. Interest under the Canadian-dollar-denominated term loan and bridge loan is payable on individual advances at the bankers acceptance rate plus a margin, depending on a defined leverage ratio. The Canadian-dollar-denominated term loan requires quarterly repayments and is due May 2004. The bridge loan requires one payment of the outstanding balance in September 2001. At December 31, 2000 the total borrowings outstanding on the term loan facility were US$245 (1999 – US$200) at a weighted average interest rate of 9.8% (1999 – 8.8%).

MAGNATRAX has entered into two interest rate swap agreements to effectively change the Eurodollar rate on a total of US$90 of the term loans. Each agreement effectively fixes the interest rates on US$45 at 6.3% and 6.8%, respectively. The interest rate swap agreements expire in 2004.

The revolving credit facilities expire in May 2004 and bear interest at either the Eurodollar or bankers acceptance rate plus a margin, depending on a defined leverage ratio.

Availability of the revolving credit facilities is based upon borrowings outstanding as well as amounts outstanding under letters of credit. There were no outstanding borrowings on these facilities at December 31, 2000 and 1999. The weighted average interest rate on the revolving credit facilities in 2000 was 9.4%. Borrowings under the credit facilities are collateralized by substantially all of the assets of MAGNATRAX.

In connection with the acquisition of Jannock in March 2000, MAGNATRAX issued US$56 of redeemable senior subordinated notes due in 2007, at an interest rate of 12.5% per annum, payable semi-annually.

j) Lantic Sugar

Lantic Sugar has a $165 term loan credit facility, of which $161 was outstanding at December 31, 2000 (1999 – $163). The term loan interest rate ranged from 4.4% to 6.1% during 2000 and 1999 due to an interest rate swap agreement that matures in 2003. The credit facility is collateralized by substantially all of the assets of Lantic Sugar.

Lantic Sugar also has a revolving credit facility of $65 which was not drawn on at December 31, 2000 or 1999.

k) InsLogic

In March 2000 InsLogic issued US$30 of Series B preferred shares, of which Onex acquired US$3. Each share is convertible into one common share, subject to adjustments under specific circumstances. The shares are non-voting and are entitled to non-cumulative dividends at an amount equivalent to the dividends declared, if any, on common shares. Dividends would be payable in cash at the time of redemption of the shares. A majority of the holders of the Series B preferred shares may request, under certain circumstances and after May 2007, that InsLogic redeem all of the preferred shares at the original option price. Due to the redemption right, these shares have been classified as debt.

l) Other

The various debt amounts for Performance Marketing Global ("PMG"), ONCAP and Vencap are included in other.

m) The annual minimum repayment requirements for the next five years on long-term debt are as follows:

2001	$ 381
2002	$ 269
2003	$ 303
2004	$ 310
2005	$ 1,219

9. LEASE COMMITMENTS

The future minimum lease payments are as follows:

	Capital Leases	Operating Leases
For the year:		
2001	$ 32	$ 239
2002	23	189
2003	19	160
2004	12	115
2005	10	99
Thereafter	76	348
Total future minimum lease payments	172	$ 1,150
Less: imputed interest	(55)	
Balance of obligations under capital leases	117	
Less: current portion	(19)	
Long-term obligations under capital leases	$ 98	

Essentially all of the lease commitments relate to the operating companies. The total payments required to be made under the ongoing operating lease arrangement with Caterair International Corporation entered into in September 1995, included in the above total, amount to $20 (1999 – $46).

10. EXCHANGEABLE DEBENTURES

During 2000 Onex issued the following series of 25 year debentures exchangeable for subordinate voting shares of Celestica:

Series	Due	Aggregate Principal Amount	Average Interest Rate	Exchange Rate on Principal Amount (number of shares per $000)
One	March 15, 2025	$ 366	1.70%	15.133
Two	July 15, 2025	$ 113	1.72%	13.333
Three	September 15, 2025	$ 176	1.65%	8.515
Four	October 30, 2025	$ 74	1.60%	9.042

The debentures are exchangeable, at the request of the holder, into subordinate voting shares of Celestica at fixed exchange rates or, at the option of the Company, it may deliver the cash equivalent based on the market price of the shares at the time of exchange, or a combination of shares and cash. Onex has pledged shares of Celestica to secure its obligations upon any exercise of the holders' exchange right. The debentures are redeemable at any time by the Company. Upon redemption, Onex may, at its option, repay the principal amount by delivering Celestica subordinate voting shares based on the fixed exchange rate or pay the cash equivalent, or a combination of shares and cash. The total number of Celestica subordinate voting shares pledged under the debentures is 9,214,320.

Onex is required to pay interest at a fixed rate for the first interest period of each debenture issue, which is approximately six months, and at a floating rate semi-annually thereafter. The calculated interest rate varies in relation to ordinary Celestica dividends paid, if any, during the preceding interest period and, in the case of the Series One debentures, the average closing price of Celestica subordinate voting shares on The Toronto Stock Exchange for all trading days over the preceding interest period.

As it is contemplated that delivery of the underlying subordinate voting shares of Celestica will satisfy the entire exchangeable debenture principal liability, hedge accounting has been applied. The difference between the market value of the Celestica subordinate voting shares and the original issue amount of the exchangeable debentures is recorded as a deferred amount until such time as the debentures are exchanged, redeemed or mature. The market value of the exchangeable debentures is based on the market price, as at the balance sheet date, of the underlying subordinate voting shares of Celestica.

The market value and deferred amount of the exchangeable debentures at December 31, 2000 were as follows:

	2000
Carrying amount (cost)	$ 729
Deferred amount (note 6)	17
Market value	$ 746

Interest expense related to the exchangeable debentures amounted to $7 and was netted against interest and other income.

11. SHARE CAPITAL

a) The authorized share capital of the Company consists of:

i) 100,000 Multiple Voting Shares, which entitle their holders to elect 60% of the Company's Directors and carry such number of votes in the aggregate as represents 60% of the aggregate votes attached to all shares of the Company carrying voting rights. The Multiple Voting Shares have no entitlement to a distribution on winding-up or dissolution other than the payment of their nominal paid-up value.

ii) An unlimited number of Subordinate Voting Shares, which carry one vote per share and as a class are entitled: to 40% of the aggregate votes attached to all shares of the Company carrying voting rights; to elect 40% of the Directors; and to appoint the auditors. These shares are entitled, subject to the prior rights of other classes, to distributions of the residual assets on winding-up and to any declared but unpaid cash dividends. The shares are entitled to receive cash dividends, dividends in kind and stock dividends as and when declared by the Board of Directors.

The Multiple Voting Shares and Subordinate Voting Shares are subject to provisions whereby, if an event of change occurs (such as Mr. Schwartz ceasing to hold, directly or indirectly, more than 5,000,000 Subordinate Voting Shares or related events), the Multiple Voting Shares will thereupon be entitled to elect only 20% of the Directors and otherwise will cease to have any general voting rights. The Subordinate Voting Shares would then carry 100% of the general voting rights and be entitled to elect 80% of the Directors.

iii) An unlimited number of Senior and Junior Preferred Shares issuable in series. The Directors are empowered to fix the rights to be attached to each series. There is no consolidated paid-in value for these shares.

b) In each of June 2000 and June 1999 the Company completed a subdivision of the Subordinate Voting Shares on a two-for-one basis (the "two-for-one stock splits"). All historical Subordinate Voting Share and per share information has been restated to reflect the effect of the two-for-one stock splits on a retroactive basis.

c) During 2000, under the Dividend Reinvestment Plan, the Company issued 145,628 (1999 – 58,700) Subordinate Voting Shares at a total value of $3 (1999 – $1). The Company repurchased and cancelled under a Normal Course Issuer Bid 1,618,200 of its Subordinate Voting Shares at a cost of $35 cash during 2000. The excess of the purchase cost of these shares over the average paid-in amount was $28, which was charged to retained earnings. There were no share repurchases under a Normal Course Issuer Bid in 1999.

d) At December 31, 2000 the issued and outstanding share capital consisted of 100,000 (1999 – 100,000) Multiple Voting Shares, 162,482,856 (1999 – 163,955,428) Subordinate Voting Shares and 176,078 (1999 – 176,078) Series 1 Senior Preferred Shares. The Series 1 Senior Preferred Shares have no paid-in amount reflected in these consolidated financial statements and the Multiple Voting Shares have nominal paid-in value.

e) The Company has a Stock Option Plan under which options and/or share appreciation rights for a term not exceeding 10 years may be granted to Directors, officers and employees for the acquisition of Subordinate Voting Shares of the Company at a price not less than the market value of the shares on the business day preceding the day of the grant. Under the Stock Option Plan, no options or share appreciation rights may be exercised unless the average market price of the Subordinate Voting Shares for the five prior business days exceeds the exercise price of the options or share appreciation rights by at least 25% (the "exercisable price"). At December 31, 2000, 16,000,000 Subordinate Voting Shares were reserved for issuance under the Stock Option Plan. At December 31, 2000 options representing 15,135,400 (1999 – 15,884,200) shares were outstanding. All options vest at a rate of 20% per year from the date of grant. When an option is exercised, the employee has the right to request that the Company repurchase the option for an amount equal to the difference between the fair value of the stock under the option and its exercise price. Upon receipt of such request, the Company has the right to settle its obligation to the employee by the payment of cash, the issuance of shares or a combination of cash and shares. The number of shares outstanding under the Stock Option Plan and the exercise prices have been adjusted to reflect the two-for-one stock splits in June 2000 and June 1999.

Details of options outstanding, adjusted to retroactively reflect the stock splits, are as follows:

Number of Options	Shares	Weighted Average Exercise Price
Outstanding at December 31, 1998	15,959,600	$ 7.09
Granted	866,000	$ 20.23
Exercised or surrendered	(913,800)	$ 5.08
Expired	(27,600)	$ 7.16
Outstanding at December 31, 1999	**15,884,200**	**$ 7.81**
Exercised or surrendered	**(687,000)**	**$ 5.56**
Expired	**(61,800)**	**$ 11.59**
Outstanding at December 31, 2000	**15,135,400**	**$ 7.90**

During 2000 the total cash consideration paid on options surrendered was $13 (1999 – $8). This amount represents the difference between the market value of the Subordinate Voting Shares at the time of surrender and the exercise price as determined under the Stock Option Plan and has been applied, net of tax of $6 (1999 – $4), as a charge to retained earnings. For 2000, the net charge to retained earnings is $7 (1999 – $4).

Options outstanding at December 31, 2000 consisted of the following:

Number of Outstanding Options	Exercise Price	Number of Exercisable Options	Exercisable Price	Remaining Life (years)
2,497,600	$ 3.32	2,497,600	$ 4.15	3.9
5,646,400	$ 7.30	2,072,200	$ 9.13	7.1
6,143,400	$ 8.62	2,248,800	$ 10.78	7.3
848,000	$ 20.23	169,600	$ 25.29	9.0

12. INTEREST EXPENSE OF OPERATING COMPANIES

Year ended December 31	2000	1999
Interest on long-term debt of operating companies	$ 498	$ 314
Interest on obligations under capital leases of operating companies	6	5
Other interest of operating companies	2	1
Interest expense of operating companies	$ 506	$ 320

Cash interest paid during the year amounted to $494 (1999 – $335).

13. ACQUISITION, INTEGRATION AND OTHER EXPENSES

Year ended December 31	2000	1999
Celestica	$ 24	$ 14
Sky Chefs	4	22
ClientLogic	9	–
Dura Automotive	3	15
Other	3	9
	$ 43	$ 60

During 2000, acquisition, integration and other expenses totalled $43 compared to $60 in 1999. Costs incurred relate to the implementation of business processes, infrastructure and information systems for operations acquired. Included in accounts payable and accrued liabilities is $50 relating to various restructuring charges made in the current and prior years.

14. DEBT PREPAYMENT AND OTHER FINANCING COSTS

ClientLogic incurred costs of $3 in 2000 related to debt refinancing.

During 1999 Dura Automotive incurred costs of $13 in connection with the retirement of Trident Automotive PLC's outstanding senior subordinated notes.

During 1999 J.L. French incurred $6 in charges relating to the bridge financing required prior to the subordinated debt offering in May.

15. WRITEDOWN OF GOODWILL AND INTANGIBLE ASSETS BY OPERATING COMPANIES

During 2000, ClientLogic's management assessed that certain specialty services would not be provided in the future. Accordingly, goodwill associated with these activities in the amount of $22 was written off.

During ClientLogic's 1999 annual review of its intangible assets, management determined that certain intangible assets related to the business process methodology and contractual value of a specialty service performed by LCS had been significantly impaired. The impairment occurred when LCS lost the sole customer for which this service was provided, and the company subsequently ceased to carry on the associated business activities. The value of the intangible asset assigned to this service of $33 was therefore written off in 1999.

16. INCOME TAXES

Commencing January 1, 2000 the Company adopted Section 3465 of the *CICA Handbook*, which requires the asset and liability method of income tax allocation be used to account for income taxes. The standard has been applied retroactively with no restatement of prior periods, and increased retained earnings, future tax assets and non-controlling interests by $10, $53 and $36, respectively, and decreased goodwill by $7.

The reconciliation of statutory income tax rates to the Company's effective tax rate is as follows:

	2000	1999
Income taxes at statutory rates	$ 283	$ 313
Increase (decrease) related to:		
Non-taxable accounting gains	(117)	(111)
Non-recognition of losses	75	59
Amortization of non-deductible acquisition costs	56	42
Income tax rate differential of subsidiaries	(76)	(34)
Income tax rate change	(5)	–
Other	(19)	3
Income tax expense	$ 197	$ 272
Classified as:		
Current	$ 219	$ 156
Future	(22)	116
Income tax expense	$ 197	$ 272

Income taxes are recognized for future income tax consequences attributed to estimated differences between the financial statement carrying values of existing assets and liabilities and their respective income tax bases.

The Company's future income tax assets and liabilities comprised the following as at December 31, 2000:

Future income tax assets:	
Income tax effect of net operating losses carried forward	$ 250
Accounting provisions not currently deductible	184
Capital, intangible and other assets	53
Share issue costs of operating companies	35
Acquisition and integration costs	38
Pension and non-pension post-retirement benefits	25
Other	123
Less: valuation allowance	(133)
	575
Future income tax liabilities:	
Capital, intangible and other assets	(98)
Pension and non-pension post-retirement benefits	(39)
Gains on shares of operating companies	(295)
Other	(49)
	(481)
Future income tax assets, net	$ 94
Classified as:	
Current asset	$ 196
Long-term asset	379
Long-term liability	(481)
Future income tax assets, net	$ 94

The Company and its investment-holding subsidiaries have tax-loss carry-forwards of approximately $152 available to reduce future income taxes to the year 2007.

At December 31, 2000 certain operating subsidiaries in Canada and the United States had tax-loss carry-forwards available to reduce future income taxes of those companies in the amount of $578, of which $100 have no expiry, $75 are available to reduce future taxes between 2001 and 2005, inclusive, and $403 are available to reduce future taxes over a 15-year period beginning 2006.

Cash taxes paid during the year amounted to $121 (1999 – $91).

17. EARNINGS PER SUBORDINATE VOTING SHARE

	2000	1999
	Net Earnings	Net Earnings
Basic earnings per Subordinate Voting Share	$ 1.15	$ 1.80
Fully diluted earnings per Subordinate Voting Share	$ 1.07	$ 1.67

The per share amounts have been adjusted to retroactively reflect the two-for-one stock splits that occurred in June 2000 and June 1999.

The calculation of earnings per share is based on the weighted average number of 163,278,000 (1999 – 163,908,000) Subordinate Voting Shares outstanding during the year. Fully diluted earnings per share includes all dilutive factors. Interest on the funds which would have been received on the assumed exercise of options has been imputed at a pre-tax rate of 5% (1999 – 5%) per annum.

18. FINANCIAL INSTRUMENTS

a) Fair value of financial instruments

The estimated fair values of financial instruments as at December 31, 2000 and 1999 are based on relevant market prices and information available at the time. The carrying value of cash and short-term investments, certain commodity inventories, accounts receivable, accounts payable and accrued liabilities approximates the fair value of these financial instruments. Financial instruments with a carrying value different from their fair value, which have not been disclosed elsewhere in these financial statements, include the following:

	2000		1999	
	Carrying Amount	Fair Value/ (Unwind Costs)	Carrying Amount	Fair Value/ (Unwind Costs)
Financial liabilities:				
Long-term debt[i]	$ 4,864	$ 4,584	$ 4,111	$ 4,003
Foreign currency contracts	$ –	$ 8	$ –	$ 6
Interest rate swap agreements	$ –	$ 8	$ –	$ (1)

(i) The fair value of the long-term debt is based on quoted market prices for the Company's financial instruments and for others of similar rating and risk. Certain components of the long-term debt primarily comprise term loans and other credit facilities with interest and repayment terms that are not significantly different from current market rates. Accordingly, the carrying values approximate estimated fair values.

b) Forward sale agreements

During 2000 the Company entered into the following forward sale agreements relating to subordinate voting shares of Celestica. Shares of Celestica have been pledged as collateral for these forward sale agreements. These financial instruments have not been recognized on the balance sheet.

Series	Maturity Date	Number of Celestica Shares	Reference Price Per Share	Fair Value
One	May 31, 2001	84,259	$ 101.00	$ 2
Two	August 17, 2025	472,840	$ 101.00	$ 10
Three	April 30, 2001	29,569	$ 125.51	$ 1
Four	November 2, 2025	1,284,627	$ 117.78	$ 48

The reference price approximates the market value of a Celestica subordinate voting share at the time the forward sale agreement was entered into. The reference price under the contracts increase over time.

The fair value represents the difference between the reference price under the contract and the market price of a Celestica share as at December 31, 2000 for the number of shares under the contract.

19. SIGNIFICANT CUSTOMERS OF SUBSIDIARIES AND CONCENTRATION OF CREDIT RISK

A number of operating companies, by the nature of their businesses, individually serve major customers that account for a large portion of their revenue. For those operating companies, the table below shows the number of significant customers and their respective percentage of revenue.

	2000		1999	
	Number of Significant Customers	Percentage of Revenue	Number of Significant Customers	Percentage of Revenue
Celestica	2	45%	3	55%
Sky Chefs	1	24%	1	27%
Dura Automotive	3	49%	3	52%
J.L. French	2	89%	2	82%
Performance Logistics Group	2	82%	n/a	n/a
Commercial Vehicle Systems	3	54%	n/a	n/a
Performance Marketing Global	1	73%	n/a	n/a
Lantic Sugar	1	14%	n/a	n/a
InsLogic	2	98%	n/a	n/a

Accounts receivable from the above significant customers at December 31, 2000 and 1999 were $1,650 and $716, respectively. The operating companies maintain allowances for credit losses considered adequate to absorb estimated credit-related losses.

20. COMMITMENTS AND CONTINGENCIES

a) The estimated total cost to complete approved capital projects of the operating companies at December 31, 2000 was approximately $141 (1999 – $66).

b) Outstanding letters of credit of the operating companies amounted to $141 at December 31, 2000 (1999 – $130). The letters of credit form part of the operating lines of bank credit of the companies.

c) Celestica is committed to pay a total of US$11 (1999 – US$23) under license arrangements which continue until 2002.

d) Onex has committed to invest up to approximately US$40 in the equity of ClientLogic if ClientLogic requires such funds to meet growth and performance objectives.

e) The Company and its operating subsidiary companies may become parties to legal claims arising in the ordinary course of business. Two subsidiary companies, as conditions of acquisition agreements, have agreed to accept certain pre-acquisition liability claims against the acquired companies. The subsidiary companies have recorded liability provisions for the estimated amounts that may become payable for such claims to the extent they are not covered by insurance or recoverable from other parties. It is management's opinion that the resolution of known claims should not have a material adverse impact on the consolidated financial position of Onex. However, there can be no assurance that unforeseen circumstances will not result in significant costs.

f) Under the terms of Management Investment Plans (collectively, the "Plan") approved in June 1996, management members of the Company invest in all of the operating entities acquired by the Company.

The aggregate investment by management members under the Plan is limited to 9% of the Company's interest in each acquisition. The form of the investment is a cash purchase for ⅙th (1.5%) of the Plan's share of the aggregate investment, and investment rights for the remaining ⅚th (7.5%) of the Plan's share at the same price. The investment rights to acquire the remaining ⅚th vest equally over four years. If the Company disposes of 90% or more of an investment before the fifth year, the investment rights vest in full. The investment rights related to a particular acquisition are exercisable only if the Company earns a minimum 15% per annum compounded rate of return for that acquisition.

Under the terms of the Plan, the total amount paid for the interest in the investments in 2000 was $5 (1999 – $5). Investment rights, exercisable at the same price for 7.5% (1999 – 7.5%) of the Company's interest in acquisitions, were issued at the same time. Advances made to management as at December 31, 2000 on account of gains related to the Plan which have not been distributed amounted to $21 (1999 – $22). During 2000, management members of the Plan participated in the realizations the Company achieved on Celestica and Sky Chefs (1999 – realizations on Sky Chefs and Vencap). These realizations, reported by the Company as disclosed in note 3, are after the deduction of the value of the investment rights under the Plan.

g) Members of management and the Board of Directors of the Company invested $23 in 2000 (1999 – $28) in Onex acquisitions at the same cost as Onex and other outside investors. Those investments by management and the Board are subject to voting control by Onex.

21. PENSION AND NON-PENSION POST-RETIREMENT BENEFITS

The operating subsidiary companies have a number of defined benefit and defined contribution plans providing pension, other retirement and post-employment benefits to certain of its employees. Commencing January 1, 2000, the Company adopted Section 3461 of the *CICA Handbook*, "Employee Future Benefits", which resulted in all employee benefit costs being accrued when incurred, whereas previously certain expenses were recorded as paid. The standard has been applied retroactively with no restatement of prior periods and has decreased retained earnings and non-controlling interests by $19 and $23, respectively, and has increased future tax assets and other liabilities by $22 and $64, respectively.

The total costs during 2000 for defined contribution pension plans were $62.

For the defined benefit pension plans and non-pension post-retirement plans, the estimated present value of accrued benefit obligations and the estimated market value of the net assets available to provide these benefits at December 31, 2000 are as follows:

	Pension Plans in which Assets Exceed Accumulated Benefits	Pension Plans in which Accumulated Benefits Exceed Assets	Non-Pension Post-Retirement Benefits
Accrued benefit obligations:			
Opening benefit obligations	$ 421	$ 374	$ 123
Current service cost	17	13	4
Interest cost	29	28	10
Contributions by plan participants	4	1	–
Benefits paid	(22)	(17)	(8)
Actuarial losses in period	6	–	3
Foreign currency exchange rate changes	(9)	14	4
Acquisitions during the year	19	5	45
Other changes, including assumptions	15	–	2
Closing benefit obligations	$ 480	$ 418	$ 183
Plan assets:			
Opening plan assets	$ 555	$ 296	$ –
Actual return on plan assets	14	7	–
Contributions by employer	16	37	8
Contributions by plan participants	4	1	–
Benefits paid	(22)	(17)	(8)
Foreign currency exchange rate changes	(11)	7	–
Acquisitions during the year	22	8	–
Closing plan assets	578	$ 339	$ –

The funded status of the plans with the operating subsidiary companies at December 31, 2000 are as follows:

	Pension Plans in which Assets Exceed Accumulated Benefits	Pension Plans in which Accumulated Benefits Exceed Assets	Non-Pension Post-Retirement Benefits
Deferred benefit amount:			
Plan assets, at fair value	$ 578	$ 339	$ –
Accrued benefit obligation	(480)	(418)	(183)
Plan surplus/(deficit)	$ 98	$ (79)	$ (183)
Unamortized past service costs	1	–	6
Unamortized net gain or loss	11	58	–
Foreign currency exchange rate changes	(3)	–	–
Valuation allowance	(20)	–	–
Other unrecognized amounts	(2)	(3)	–
Deferred benefit amount (asset/(liability))	$ 85	$ (24)	$ (177)

The net plan expense for the year ended December 31, 2000 is outlined below:

	Pension Plans in which Assets Exceed Accumulated Benefits	Pension Plans in which Accumulated Benefits Exceed Assets	Non-Pension Post-Retirement Benefits
Net periodic costs:			
Current service cost	$ 17	$ 13	$ 4
Interest cost	29	28	10
Expected return on plan assets	(23)	(29)	(1)
Amortization of unrecognized amounts	(19)	2	1
Net periodic costs	$ 4	$ 14	$ 14

The following assumptions were used to account for the plans:

	Pension Benefits	Non-Pension Post-Retirement Benefits
Weighted average discount rate for projected benefit obligations	5.50% – 8.00%	6.75% – 8.00%
Weighted average expected long-term rate of return on plan assets	7.00% – 10.60%	n/a
Weighted average rate of compensation increase	0.00% – 5.00%	4.50%
Health care cost trend rate	n/a	5.00% – 9.65%

A 1% change in the assumed health care cost trend rate would have the following effects:

	1% Increase	1% Decrease
Effect on total of service and interest cost components	$ 2	$ (1)
Effect on the post-retirement benefit obligation	$ 12	$ (10)

At December 31, 1999 the aggregate present value of accumulated pension benefits for accounting purposes was estimated to be $772. The aggregate market-related value of the pension fund assets available to provide for those benefits as of December 31, 1999 was $834.

22. SUBSEQUENT EVENTS

Onex completed the acquisition of LeBlanc Ltd. and BMS Communications Services Ltd. (collectively, "L&B") in February 2001. L&B is the largest full-service wireless infrastructure provider in Canada. The company's services include network design, installation and management, as well as tower engineering and construction. Annual revenues are approximately $150. Onex invested approximately $70 million for an initial 79% ownership interest.

In January 2001 Sky Chefs acquired I and K Distributors, Inc. ("I&K"), a manufacturer and distributor of refrigerated delicatessen, dairy and bakery goods, for approximately $94. I&K has facilities throughout the midwestern United States. In February 2001 Sky Chefs acquired Ozark Salad Company, Inc., a regional provider of refrigerated prepared foods, for approximately $33. The acquisitions and related costs were funded from borrowings under Sky Chefs' new credit agreement established in August 2000.

In January and February 2001 Onex and certain of its operating companies entered into agreements in the normal course to acquire or make investments in other businesses. The effect of those planned transactions, once completed, would not be significant to the consolidated financial statements.

23. INFORMATION BY INDUSTRY AND GEOGRAPHIC SEGMENT

Onex Corporation's reportable segments operate through autonomous companies and strategic partnerships. Each reportable segment offers different products and services and is managed separately.

Onex Corporation has five reportable segments: electronics manufacturing services; airline catering; customer relationship management; automotive products; and engineered building products. The electronics manufacturing services segment consists of Celestica, which provides manufacturing services for electronics OEMs. The airline catering segment consists of Sky Chefs and Caterair, which operate in a worldwide partnership with LSG in the global airline catering business. The customer relationship management segment consists of ClientLogic, which provides integrated solutions for customer relationship management in the key areas of customer contact, logistics, fulfillment and marketing services. The automotive products segment includes Dura Automotive, which designs and manufactures mechanical assemblies and integrated systems for the global automotive industry; J.L. French, a leading manufacturer of high-pressure aluminum die-cast parts; PLG, a provider of transportation and logistics services to automotive OEMs; CVS, a leading manufacturer and supplier of wiper, mirror and control systems; PMG, a provider of public relations, promotional and marketing services primarily to the automotive industry; Bostrom, a manufacturer of seats for the heavy truck, construction and agricultural vehicle markets; and Trim Systems, Inc., which produces heavy truck interior trim systems. The engineered building products segment consists of MAGNATRAX.

2000 Industry segments

	Electronics Manufacturing Services	Airline Catering	Customer Management Services	Automotive Products	Engineered Building Products	Other[a]	Consolidated Total
Revenues	$ 14,567	$ 2,673	$ 421	$ 5,141	$ 1,313	$ 416	$ 24,531
Earnings (loss) before the undernoted items	723	199	(5)	596	136	(37)	1,612
Amortization of capital assets	(182)	(55)	(28)	(148)	(27)	(18)	(458)
Amortization of goodwill, intangible assets and deferred charges	(133)	(35)	(60)	(72)	(16)	(6)	(322)
Interest expense of operating companies	(26)	(97)	(20)	(290)	(58)	(15)	(506)
Interest and other income	55	15	1	4	–	59	134
Gains on shares of operating companies, net	–	–	–	–	–	252	252
	437	27	(112)	90	35	235	712
Acquisition, integration and other expenses	(24)	(4)	(9)	(3)	–	(3)	(43)
Debt prepayment costs	–	–	(3)	–	–	–	(3)
Writedown of goodwill and intangible assets by operating companies	–	–	(22)	–	–	–	(22)
Earnings (loss) before income taxes and non-controlling interests	$ 413	$ 23	$ (146)	$ 87	$ 35	$ 232	644
Provision for income taxes							(197)
Earnings before non-controlling interests							447
Non-controlling interests in results of operating companies							(259)
Net earnings							$ 188
Total assets	$ 8,902	$ 1,877	$ 445	$ 5,788	$ 1,175	$ 1,532	$ 19,719
Long-term debt[b]	$ 195	$ 994	$ 110	$ 2,924	$ 438	$ 203	$ 4,864
Capital asset expenditures	$ 386	$ 65	$ 84	$ 235	$ 35	$ 98	$ 903
Goodwill additions	$ 188	$ 268	$ 1	$ 287	$ 292	$ 27	$ 1,063

(a) Includes Lantic Sugar, Vencap, InsLogic, ONCAP and Parent Company.

(b) Long-term debt excludes capital leases and the current portion of long-term debt.

1999 Industry segments

	Electronics Manufacturing Services	Airline Catering	Customer Management Services	Automotive Products	Engineered Building Products	Other[a]	Consolidated Total
Revenues	$ 7,863	$ 2,367	$ 264	$ 3,630	$ 483	$ 262	$ 14,869
Earnings (loss) before the undernoted items	373	188	5	437	55	(33)	1,025
Amortization of capital assets	(103)	(41)	(17)	(92)	(8)	(5)	(266)
Amortization of goodwill, intangible assets and deferred charges	(85)	(31)	(13)	(61)	(7)	(9)	(206)
Interest expense of operating companies	(26)	(83)	(10)	(173)	(17)	(11)	(320)
Interest and other income	10	10	1	9	–	32	62
Gains on shares of operating companies, net	–	28	–	–	–	486	514
	169	71	(34)	120	23	460	809
Acquisition, integration and other expenses	(14)	(22)	–	(15)	–	(9)	(60)
Debt prepayment costs	–	–	–	(19)	–	–	(19)
Writedown of goodwill and intangible assets by operating companies	–	–	(33)	–	–	–	(33)
Earnings (loss) before income taxes and non-controlling interests	$ 155	$ 49	$ (67)	$ 86	$ 23	$ 451	697
Provision for income taxes							(272)
Earnings before non-controlling interests							425
Non-controlling interests in results of operating companies							(131)
Net earnings							$ 294
Total assets	$ 3,806	$ 1,389	$ 473	$ 5,133	$ 639	$ 973	$ 12,413
Long-term debt[b]	$ 188	$ 692	$ 129	$ 2,656	$ 284	$ 162	$ 4,111
Capital asset expenditures	$ 312	$ 49	$ 34	$ 98	$ 16	$ 76	$ 585
Goodwill additions	$ 48	$ –	$ 148	$ 1,903	$ 307	$ –	$ 2,406

(a) Includes Lantic Sugar, Vencap and Parent Company.
(b) Long-term debt excludes capital leases and the current portion of long-term debt.

Geographic segments

	2000					1999				
	Canada	U.S.	Europe	Other	Total	Canada	U.S.	Europe	Other	Total
Revenue	$ 5,614	$ 10,398	$ 5,308	$ 3,211	$ 24,531	$ 3,543	$ 6,895	$ 2,772	$ 1,659	$ 14,869
Capital assets	$ 607	$ 1,520	$ 789	$ 351	$ 3,267	$ 370	$ 1,042	$ 490	$ 257	$ 2,159
Goodwill and intangible assets	$ 486	$ 3,369	$ 1,049	$ 273	$ 5,177	$ 554	$ 2,699	$ 751	$ 149	$ 4,153

Revenues are attributed to countries based on the location of the manufacturing facilities for the electronics manufacturing services, automotive products and engineered building products segments; of the kitchens for the airline catering segment; and of the operating facilities for the customer relationship management segment.

Other includes primarily operations in Central and South America as well as Asia and Australia, which are not individually significant. Significant customers of subsidiaries are discussed in note 19.

Summary Historical Financial Information

The following is a summary of key consolidated financial information of the Company for the past five fiscal years ended December 31:

Year ended December 31 *($ millions except per share amounts)*	2000	1999	1998	1997	1996
Revenues[a]	$ 24,531	$ 14,869	$ 8,813	$ 5,811	$ 3,232
Earnings before the undernoted items	$ 1,612	$ 1,025	$ 592	$ 357	$ 227
Amortization of capital assets	(458)	(266)	(138)	(77)	(50)
Amortization of goodwill, intangible assets and deferred charges	(322)	(206)	(124)	(61)	(33)
Interest expense of operating companies	(506)	(320)	(190)	(157)	(91)
Interest and other income	134	62	54	47	39
Gains on shares of operating companies, net	252	514	269	145	120
	712	809	463	254	212
Acquisition, integration and other expenses	(43)	(60)	(69)	(72)	(33)
Debt prepayment costs	(3)	(19)	(29)	(57)	–
Writedown of goodwill and intangible assets by operating companies	(22)	(33)	(68)	–	–
Earnings before income taxes and non-controlling interests	644	697	297	125	179
Provision for income taxes	(197)	(272)	(179)	(62)	(42)
Earnings before non-controlling interests	447	425	118	63	137
Non-controlling interests in results of operating companies	(259)	(131)	–	(7)	(31)
Earnings from continuing operations	188	294	118	56	106
Earnings (loss) from discontinued operations[a]	–	–	59	(2)	(19)
Net earnings for the year	$ 188	$ 294	$ 177	$ 54	$ 87
Total assets	$ 19,719	$ 12,413	$ 6,820	$ 5,889	$ 3,758
Shareholders' equity	$ 1,431	$ 1,278	$ 1,059	$ 967	$ 740
Dividends declared per Subordinate Voting Share[b]	$ 0.11	$ 0.11	$ 0.11	$ 0.11	$ 0.11
Earnings per Subordinate Voting Share[b]:					
Continuing operations	$ 1.15	$ 1.80	$ 0.69	$ 0.33	$ 0.72
Net earnings	$ 1.15	$ 1.80	$ 1.04	$ 0.32	$ 0.59
Fully diluted	$ 1.07	$ 1.67	$ 0.98	$ 0.31	$ 0.57

(a) The earnings from discontinued operations for the years 1996 to 1998 inclusive pertain to the operations of ProSource Distribution Services and the after-tax gain resulting from the May 1998 sale of the company, and for 1996 includes the utilization of the tax-loss carry-forwards from discontinued operations of prior years. Previously reported consolidated revenues and earnings figures for the years 1996 and 1997 have been reclassified to show the results of ProSource Distribution Services as discontinued operations.

(b) The per share price amounts for the years prior to 2000 reflect the June 1, 2000 and June 1, 1999 two-for-one stock splits on a retroactive basis.

Share Information

Onex' Subordinate Voting Shares trade on The Toronto Stock Exchange.

Ticker symbol

OCX

Index listings

TSE 100, TSE 300 and TSE Conglomerate Index

Subordinate Voting Shares

	2000	1999
Outstanding at December 31	162,482,856	163,955,428
Weighted average – for basic EPS purposes	163,278,000	163,908,000

Dividends

Dividends on the Subordinate Voting Shares are payable quarterly on or about January 31, April 30, July 31 and October 31 of each year. At December 31, 2000 the indicated dividend rate for each Subordinate Voting Share was $0.11 per annum.

Shareholder Dividend Reinvestment Plan

The Dividend Reinvestment Plan provides shareholders of record who are resident in Canada a means to reinvest cash dividends in new Subordinate Voting Shares of Onex Corporation at a discount and without payment of brokerage commissions. To participate, registered shareholders should contact Onex' share registrar, CIBC Mellon Trust Company. Non-registered shareholders who wish to participate should contact their investment dealer or broker.

Stock split

In March 2000 and March 1999 the Onex Board of Directors approved a split of the Company's Subordinate Voting Shares on a two-for-one basis. The stock splits were subsequently approved by shareholders at the Annual Meetings on May 11, 2000 and May 13, 1999, respectively. Each registered holder of Subordinate Voting Shares received a certificate representing one additional Subordinate Voting Share for each share held on June 1, 2000 and June 1, 1999, respectively.

Share trading information

	2000			1999		
	Share Volume *(millions)*	Share Price[a]		Share Volume *(millions)*	Share Price[a]	
		High	Low		High	Low
First quarter	48.9	$ 29.00	$ 20.40	33.0	$ 13.00	$ 10.19
Second quarter	36.1	$ 24.78	$ 18.85	27.4	$ 14.31	$ 11.88
Third quarter	32.1	$ 27.90	$ 22.50	18.4	$ 14.50	$ 12.00
Fourth quarter	25.9	$ 26.80	$ 21.50	25.6	$ 26.13	$ 11.85
	143.0			104.4		

(a) The share price amounts for the periods prior to June 1, 2000 reflect the June 1, 2000 and June 1, 1999 two-for-one stock splits on a retroactive basis.

Year-end closing share price[a]

As at December 31	2000	1999	1998	1997	1996
The Toronto Stock Exchange	$ 21.90	$ 26.13	$ 10.88	$ 7.15	$ 4.88

(a) The share price amounts for the years prior to June 1, 2000 reflect the June 1, 2000 and June 1, 1999 two-for-one stock splits on a retroactive basis.

Directors and Officers

DIRECTORS

Dan C. Casey
Chairman and
Chief Executive Officer
Creson Corporation
Toronto, Ontario

Donald H. Gales
Corporate Director
Grand Cayman Island,
British West Indies

Serge Gouin
Vice Chairman
Salomon Smith Barney
Canada Inc.
Montreal, Quebec

Brian M. King
Corporate Director
Calgary, Alberta

J. William E. Mingo, Q.C.
Partner
Stewart McKelvey
Stirling Scales
Halifax, Nova Scotia

J. Robert S. Prichard, O.C.
Professor of Law and
President Emeritus
University of Toronto
Toronto, Ontario

Gerald W. Schwartz
Chairman of the Board,
President and
Chief Executive Officer
Onex Corporation
Toronto, Ontario

R. Geoffrey P. Styles
Corporate Director
Toronto, Ontario

Arni C. Thorsteinson
President
Shelter Canadian
Properties Limited
Winnipeg, Manitoba

OFFICERS

ONEX CORPORATION

Gerald W. Schwartz
Chairman of the Board,
President and
Chief Executive Officer

Thomas P. Dea
Vice President

Ewout R. Heersink
Vice President and
Chief Financial Officer

Mark L. Hilson
Vice President

Donald W. Lewtas
Vice President

Anthony R. Melman
Vice President

Seth M. Mersky
Vice President

Anthony Munk
Vice President

Andrew J. Sheiner
Vice President

Nigel S. Wright
Vice President

Kenneth M. Bloomberg
Principal

Timothy A.R. Duncanson
Principal

John S. Elder, Q.C.
Secretary

ONEX INVESTMENT CORP.

Robert M. LeBlanc
Managing Director

Eric J. Rosen
Managing Director

John G. Troiano
Managing Director

Shareholder Information

Shares
The Subordinate Voting Shares of the Corporation are listed and traded on The Toronto Stock Exchange.

Share symbol
OCX

Registrar and transfer agent
CIBC Mellon Trust Company
P.O. Box 7010
Adelaide Street Postal Station
Toronto, Ontario M5C 2W9
(416) 643-5500
or call toll-free throughout
Canada and the United States
1-800-387-0825
www.cibcmellon.ca
or inquiries@cibcmellon.ca (e-mail)

All questions about accounts, stock certificates or dividend cheques should be directed to the Registrar and Transfer Agent.

Investor information
Requests for the Company's Annual Report, Quarterly Reports and other corporate communications should be directed to:
Investor Relations
Onex Corporation
161 Bay Street
P.O. Box 700
Toronto, Ontario M5J 2S1

E-mail:
info@onexcorp.com

Website:
www.onex.com

Duplicate communication
Registered holders of Onex Corporation shares may receive more than one copy of shareholder mailings. Every effort is made to avoid duplication, but when shares are registered under different names and/or addresses, multiple mailings result. Shareholders who receive but do not require more than one mailing for the same ownership are requested to write to the Registrar and Transfer Agent and arrangements will be made to combine the accounts for mailing purposes.

Corporate governance policies
A presentation of Onex' corporate governance policies is included in the Management Information Circular which is mailed to all shareholders. If you would like to receive a copy of this information, please contact Investor Relations at Onex.

Shares held in nominee name
To ensure that shareholders whose shares are not held in their name receive all Company reports and releases on a timely basis, a direct mailing list is maintained by the Company. If you would like your name added to this list, please forward your request to Investor Relations at Onex.

Auditors
PricewaterhouseCoopers LLP
Chartered Accountants

Annual meeting of shareholders
Onex Corporation's Annual Meeting of Shareholders will be held on Thursday, May 10, 2001 at 10:00 a.m. (Eastern Daylight Time) in the TSE Auditorium at The Exchange Tower, 130 King Street West, Toronto, Ontario.

Discover

what's behind

the numbers

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